CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

National income and expenditure in the first quarter 1977

Developments in national accounts

No 285
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Release dates of economic statistics to be published in August 1977

This list is published by the Government Statistical Service as a guide to the dates of publication of major economic series in August. The dates are those which Departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further enquiries about individual series should be addressed to the source named.

Publication date	Series	Method of release	Source
August 1977			
Mon 1	Building society house prices and mortgage advances (2nd qtr)	PN	D of the Environment
Tues 2	UK official reserves (July)	PN	HM Treasury
	Capital issues and redemptions (during the month of July)	PN	Bank of England
	Slum clearance (2nd qtr)	PN	D of the Environment
	Housing starts and completions (June)	PN	D of the Environment
	House renovation grants approved (June)	PN	D of the Environment
Mon 8	Wholesale prices index numbers (July-provisional)	PN	D of Industry
	Retail sales (June-final)	PN	D of Trade
	Hire purchase and other instalment credit business (June)	PN	D of Trade
Tues 9	Central government financial transactions (including borrowing requirement) (July)	PN	HM Treasury
	Provisional figures of vehicle production (July)	PN	D of Industry
Wed 10	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-July)	PN	Bank of England
	London clearing banks' monthly statement (mid-July)	PN	Ctte LCB
Thurs 11	Finished steel consumption and stock changes (2nd qtr-provisional)	PN	D of Industry
Fri 12	Usable steel production (July)	PN	BSC/BISPA
	Retail prices index (July)	PN	D of Employment
	Index of industrial production (June-provisional)	PN	CSO
	Building societies receipts and loans (July)	PN	BSA
	Balance of payments current account and overseas trade figures (July)	PN	D of Trade/CSO
Mon 15	Turnover of the catering trades (2nd qtr)	PN	D of Industry
	Retail sales (July-provisional)	PN	D of Trade
Wed 17	Basic rates of wages and normal weekly hours (July)	PN	D of Employment
	Monthly index of average earnings (June)	PN	D of Employment
Thurs 18	Preliminary estimate of gross domestic product based on output data (2nd qtr)	PN	CSO
	Consumers' expenditure (2nd qtr-2nd preliminary estimate)	PN	CSO
	London dollar and sterling certificates of deposit (mid-July)	PN	Bank of England
	UK banks' assets and liabilities and the money stock (mid-July)	PN	Bank of England
	Building societies: mortgage survey, 5 per cent sample survey results (2nd qtr)	PN	D of the Environment
Fri 19	Sales and orders in the engineering industries (May)	T and I	D of Industry
Sun 21	National savings monthly progress report (July)	PN	National Savings Ctte
Mon 22	Construction—new orders (June)	PN	D of the Environment
	Turnover of the motor trades (2nd qtr)	PN	D of Industry
	CBI Monthly Trends Inquiry (August)	PN	CBI
Tues 23	Unemployment (August-provisional)	PN	D of Employment
	Unfilled vacancies (August-provisional)	PN	D of Employment
	New vehicle registrations (July)	PN	D of Transport
Thurs 25	Car and commercial vehicle production (July-final)	PN	D of Industry
	Capital expenditure by the manufacturing distributive and service industries (2nd qtr-provisional)	PN	D of Industry
	Manufacturers' and distributors' stocks (2nd qtr-provisional)	PN	D of Industry
	Energy trends	PN	D of Energy
	Bricks and cement production (July)	PN	D of the Environment
	Unemployment (July-final)	Gazette	D of Employment
	Employment in production industries (June)	Gazette	D of Employment
	Overtime and short-time working in manufacturing industries (June)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (July)	Gazette	D of Employment

PN=*Press Notice* T and I=*Trade and Industry*

CENTRAL STATISTICAL OFFICE

Economic Trends

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Government Statistical Service

A service of statistical information and advice is provided to Government by specialist staffs employed in the statistics divisions of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Department concerned.

The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-233 8246

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Introduction

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of current economic events. It is important to note that data included in this section may not be wholly consistent with other series shown in the publication which have gone to press earlier.
- The main section shows the movement of the key economic indicators over about the last 5 years. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base date for convenience of comparison.
- A further chart shows the movements of 4 composite indices over 19 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on national accounts appear in the January, April, July and October issues and on balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology. The regular 'Round-up' feature contains notes on relevant articles appearing in other government publications, news of developments in economic statistics and brief synopses of any new publications.

Notes on tables

1. This issue contains information available to the CSO on 18 July in respect of the main tables and charts. The 'Latest developments' section may contain later information.

2. Statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

Change to series

The table on page 52, 'Domestic credit expansion and money stock', now also shows monthly figures.

Symbols used:

..	not available or not meaningful
–	nil or less than half the final digit shown
§	series for which measures of variability are given on page 68
†	indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

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Latest developments in the economy[1]

Data available at 22 July 1977

Output

Latest estimates to May suggest that the underlying level of industrial output has changed little in recent months. In the three month period ending May 1977, the index of industrial production was the same as in the previous three months. The only area of strong growth is the North Sea oil and gas sector. Steel production in June was little changed from May but 10 per cent less than a year earlier. Production of cars in June fell back sharply from the May level but output in the three months ending June was 13 per cent higher than in the previous three months. Interpretation of the trends of industrial output in both May and June has been complicated by the special Jubilee holiday this year.

Housebuilding

In the three months ending May, housing starts in Great Britain were 16 per cent higher than in the previous three months but 26 per cent less than in the same period in 1976. Total completions were 2 per cent up on the previous three months but 8 per cent lower than a year earlier.

Consumers' expenditure

Preliminary figures suggest that the volume of consumers' expenditure was about ½ per cent lower than the first quarter. This implies a drop of around 2 per cent in the first half of 1977 from the second half of last year. Retail sales figures, although down by 1 per cent, quarter on quarter, suggest some small recovery in May and June.

Financial position of industrial and commercial companies

Despite a continued increase in the level of profits in the first quarter of 1977, industrial and commercial companies are estimated to have had a financial deficit in the six months ending March 1977 of £0·8 billion compared with £0·4 billion in the previous six-month period. The major cause of the increased deficit was the turn-round from de-stocking to stockbuilding between the two periods. In the same half-year period, the personal sector is estimated to have had a surplus of £3·2 billion, the public sector a deficit of £3·7 billion, and the overseas sector a surplus of £0·7 billion.

Unemployment and vacancies

The number of unemployed in the United Kingdom (excluding school-leavers) rose by 36,900 in July to 1,393,800.

The number of vacancies notified to employment offices fell by 5,100 in July to 152,700.

Trade and balance of payments

In the second quarter of 1977, the visible trade deficit was £667 million compared with £968 million in the first quarter (which included an erratically high level of imports in January). In the second quarter, the balance of trade in oil improved by £121 million but there were substantial imports of equipment for North Sea oil and gas operations. The volume of exports rose by 6 per cent and of imports by 1 per cent; the terms of trade index fell by ½ per cent.

In June, the current account was estimated to have been in deficit by £67 million. The deficit on trade in goods was £287 million while the surplus on services and other transactions was estimated to be running at £220 million a month.

Earnings and wage rates

The index of average earnings (old series) in May was 1 per cent higher than in April and 10·3 per cent higher than in May last year. This compares with a rise of 17·1 per cent over the same period in the index of retail prices. The index of basic weekly wage rates (not seasonally adjusted) again showed a modest increase in June. The year-on-year increase in the index was 5·5 per cent.

Prices (not seasonally adjusted)

The index of retail prices for June was 183·6 (January 1974=100). This represents an increase of 1·0 per cent on May and 17·7 per cent on June 1976.

Index numbers of wholesale prices for June suggest that the prices of home sales of manufactured products increased by 1 per cent over May. The increase over a 12-month period was 21 per cent – the same as n May. The prices of materials and fuel purchased by manufacturing industry fell by 1 per cent. The falls in prices were mainly in imported commodities but prices of coal, gas and electricity continued to rise.

Money stock

During the four weeks ending 15 June, the broader version of money stock (M_3) rose by 1 per cent while the narrower version (M_1) rose by 2 per cent. The bank sterling lending to the UK private sector rose by £300 million in the period—much the same as in the previous two months—but sterling lending to the overseas sector rose unusually sharply by £110 million. The Government's borrowing requirement was smaller than in the previous month but less of it was offset by purchases of government debt by the general public.

Economic events

June

22 The TUC General Council voted by 19 to 4 to honour Stage Two of the pay policy, particularly re-affirming its advice on sticking to the 12-month rule; but called for a return to free collective bargaining after July 31.

24 At an OECD Ministerial meeting, member countries agreed to stick to a 5 per cent growth target for 1978.

26 The Bank of England said that the offer for sale of 66·79 million British Petroleum shares had been oversubscribed by 4·7 times.

27 In a speech to the Industrial Society, the Chief Secretary to the Treasury called for Stage Three settlements of no more than 4½ to 5 per cent on basic wage rates.
A White Paper on Transport Policy (Cmnd. 6836) was published.

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

28 The Department of the Environment published a housing policy review; among its recommendations were direct help for first-time house buyers and continuing tax relief on mortgage repayments.

29 The Secretary of State for Employment announced new measures to give work or training places to young unemployed people. The total cost of the schemes would be £800 million.
The European Council – the Summit meeting of EEC Heads of Government – was held in London. It brought to an end the United Kingdom's six-months presidency of the Council.

30 The Prime Minister said that Britain was now at the end of one economic era and was about to start a new cycle.
The Secretary of State for Employment set up a Court of Inquiry into the long-running dispute at Grunwick's, a North-West London film-processing firm.

July

1 Lord Ryder will retire as chairman of the National Enterprise Board on August 1. His successor is Mr Leslie Murphy, at present deputy-chairman.

3 At a meeting of the OPEC countries in Sweden, Saudi Arabia and the United Arab Emirates agreed to raise their oil price by 5 per cent for the second half of 1977, to bring them into line with other OPEC countries, who had in January agreed a 10 per cent price rise for the whole of 1977.

4 A consultative document on a new Price Code was published (Cmnd. 6861).

5 At the annual conference of the National Union of Mineworkers, delegates voted against a productivity plan for the coal industry. They also voted for a motion on pay which declared the intention of 'seeking to achieve' new wage rates of up to £135 a week.

6 The Transport and General Workers Union's conference voted for an immediate return to free collective bargaining after 31 July, against the advice of their retiring leader, Mr Jack Jones. This was seen as the ending of hopes that the Government could reach agreement on Stage Three with the TUC.

7 The Prime Minister and Chancellor both expressed optimism on reaching some sort of accord on pay with the TUC. A White Paper would be published shortly.
The Royal Commission on the Press (Chairman: Prof. O. R. McGregor) published its final report (Cmnd. 6810).

11 The Prime Minister held the second of two conferences on the development of the industrial strategy (the first was on June 22).

12 The Chancellor met the TUC for the final round of discussions on pay and prices policy in Stage Three.
The Spanish peseta was devalued by 20 per cent.

13 The Prime Minister met the TUC to inform them of the Government's proposals on pay and prices which would be announced on July 15.
The Chancellor saw the CBI.

14 The Cabinet decided that the Chancellor would announce his economic measures in a Parliamentary Statement, rather than in a formal White Paper.
The subsidy on bread is to be ended. The price of gas would be held at its present level.

15 The Chancellor revealed the plans for Stage Three of the counter-inflation policy. The measures he announced were designed to create a climate favourable to moderate wage settlements. In order to master inflation and return to full employment, the Chancellor said that a national earnings increase of less than 10 per cent was necessary. The Government had recognised that the period after July 1977 must bring an orderly return to free collective bargaining.

18 The Bank of England's annual report was published.

19 The TUC Economic Committee met to discuss the counter-inflation measures; they decided they could issue no general guidelines on pay, but attached great importance to the maintenance of the 12-month rule. Priority must be given to getting the rate of inflation into single figures.

20 At the end of the Commons debate on the economy, the Government had a majority of 30 for its policies. The White Paper 'The attack on inflation after July 31, 1977' was published (Cmnd. 6882).
A report on the Post Office (Chairman: Mr Charles Carter) recommended the separation of its postal and telecommunications operations.

Selected monthly indicators[1]

		Seasonally adjusted						Unadjusted		Seasonally adjusted			
		1971 =100	Thousands	1970 =100	Thousands		Jan. 1970 =100	1970 =100	Jan. 1974 =100	£ million			
		Volume of retail sales (GB)[2,3] §	New registrations of cars (GB) §	Index of industrial production[4] §	Unemployment[5] §	Vacancies[6] §	Average earnings (all employees) (GB) §	Wholesale prices of materials and fuel[7]	General index of retail prices (all items)	Balance of payments current account: Exports (f.o.b.) §	Balance of payments current account: Imports (f.o.b.) §	Balance of payments current account: Current balance	Money stock sterling M_3
1975	J	105·4	93·8	100·2†	963·4	134·7	230·9	233·2	138·5	1,615	1,987	−579†	35,500
	A	105·1	97·4	98·7	997·1	134·8	233·9	241·4	139·3	1,559	1,948		36,030
	S	105·6	117·9	100·6	1,034·1	128·8	237·1	243·2	140·5	1,634	1,840		36,080
	O	105·2	88·5	101·0	1,090·8	117·5	239·3	252·2	142·5	1,782	1,982	−221	36,410
	N	104·9	86·0	101·3	1,131·9	111·7	241·1	256·7	144·2	1,706	1,937		36,240
	D	106·6	92·1	100·1	1,170·7	111·4	248·1	259·5	146·0	1,828	2,023		36,110
1976	J	110·2	105·3	101·2	1,203·5	112·6	248·3	261·5	147·9	1,837	2,050	−121	36,310
	F	106·6	101·0	102·6	1,225·8	115·7	250·0	263·9	149·8	1,832	2,061		36,570
	M	105·4	101·9	101·9	1,231·6	121·8	254·4	274·2	150·6	1,942	2,038		36,700
	A	108·8	116·4	102·3	1,241·8	122·5	255·0	286·3	153·5	2,003	2,254	−401	37,200
	M	106·8	109·7	104·4	1,253·3	120·0	259·6	292·0	155·2	2,068	2,414		37,440
	J	107·3	91·0	100·4	1,261·1	115·7	261·2	299·6	156·0	2,138	2,460		37,770
	J	108·8	90·6	101·4	1,288·9	118·6	263·1	302·0	156·3	2,028	2,532	−543	38,370
	A	108·9	115·0	100·7†	1,308·8	126·2	267·2	304·0	158·5	2,152	2,435		38,930
	S	108·9	86·5	102·5	1,318·7	125·9	266·1	314·4	160·6	2,220	2,581		39,530
	O	108·1	108·8	102·9	1,307·9	124·5	269·0	327·7	163·5	2,306	2,624		40,900
	N	109·2	119·2	103·5	.. [8]	.. [8]	272·2	331·8	165·8	2,320	2,775	−411	40,490
	D	108·3	110·5	103·3	1,325·7[9]	.. [8]	277·1	330·2	168·0	2,448	2,662		40,390
1977	J	106·7	92·6	103·4	1,338·2	.. [8]	278·1	337·8	172·4	2,479	3,017		39,660
	F	105·7	117·6	103·3	1,331·4	150·5	278·7	339·5	174·1	2,431	2,625	−327	39,260
	M	103·1	102·1	103·0	1,321·1	157·3	283·9	347·2	175·8	2,499	2,741		39,330
	A	103·4	107·5	102·7	1,322·6	158·5	283·1†	349·7†	180·3	2,635	2,764	+ 91	40,250†
	M	104·4†	107·9	104·2	1,315·9	161·2	286·3[10]	348·2[10]	181·7	2,609†	2,860	− 31†	40,480
	J	104·5[10]	89·8		1,352·8	157·8		345·1[10]	183·6	2,781	3,068	− 67	40 880
	J				1,393·8[10]	152·7[10]							
		Percentage change, latest three months on previous three months											
1976	N	*+0·4*	*+ 6·0*	*+2·1*	..	..	*+ 2·0*	*+ 7·5*	*+ 4·1*	*+ 8·4*	*+ 7·5*	..	*+ 4·3*
	D	*−0·4*	*+15·9*	*+1·7*	..	..	*+ 2·8*	*+ 7·5*	*+ 4·6*	*+10·5*	*+ 6·8*	..	*+ 3·5*
1977	J	*−0·5*	*+ 3·9*	*+1·4*	..	..	*+ 3·1*	*+ 5·7*	*+ 4·9*	*+ 8·5*	*+10·7*	..	*+ 1·7*
	F	*−1·6*	*+ 2·0*	*+0·4*	..	..	*+ 3·3*	*+ 3·5*	*+ 5·0*	*+ 7·6*	*+ 4·1*	..	*− 0·6*
	M	*−3·2*	*− 7·7*	*— †*	..	..	*+ 2·7*	*+ 3·5*	*+ 5·0*	*+ 4·8*	*+ 4·0*	..	*− 2·2*
	A	*−3·8*	*+ 1·5*	*−0·4*	..	..	*+ 2·2*	*+ 3·7*	*+ 4·7*	*+ 4·5*	*− 3·8*	..	*− 1·4*
	M	*−3·2†*	*− 1·0*	*—*	*− 0·9*	..	*+ 2·3[10]*	*+ 3·7[10]*	*+ 4·5*	*+ 5·2*	*+ 0·7*	..	*+ 0·6†*
	J	*−0·9[10]*	*− 2·3*		*—*	..		*+ 1·8[10]*	*+ 4·5*	*+ 8·2*	*+ 3·7*	..	*+ 2·8*
	J				*+ 2·2[10]*	*+ 1·2[10]*							
		Percentage change, latest three months on corresponding period of previous year											
1976	N	*+3·3*	*+ 7·6*	*+2·0†*	..	..	*+12·5*	*+29·5*	*+14·7*	*+33·7*	*+38·6*	..	*+10·4*
	D	*+2·7*	*+27·0*	*+2·4*	..	..	*+12·3*	*+28·8*	*+14·9*	*+33·1*	*+35·7*	..	*+11·1*
1977	J	*+0·8*	*+13·7*	*+2·5*	..	..	*+12·2*	*+28·6*	*+15·5*	*+34·9*	*+40·7*	..	*+10·9*
	F	*−0·8*	*+ 7·5*	*+2·0*	*+11·0*	..	*+11·7*	*+28·4*	*+16·0*	*+34·0*	*+35·4*	..	*+ 9·5*
	M	*−2·2*	*+ 1·3*	*+1·3*	*+ 9·0*	..	*+11·7*	*+28·1*	*+16·5*	*+32·2*	*+36·3*	..	*+ 7·9*
	A	*−5·0*	*+ 2·5*	*+0·7*	*+ 7·5*	*+29·5*	*+11·4†*	*+25·7*	*+16·8*	*+31·1*	*+28·0*	..	*+ 7·6*
	M	*−3·1*	*− 3·2*	*+0·4*	*+ 6·3*	*+30·9*	*+11·0[10]*	*+22·6[10]*	*+17·1*	*+28·9*	*+24·7*	..	*+ 7·8†*
	J	*−3·3[10]*	*− 4·6*		*+ 6·3*	*+33·3*		*+18·8[10]*	*+17·4*	*+29·3*	*+21·9*	..	*+ 8·2*
	J				*+ 6·8[10]*	*+33·1[10]*							

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] See footnote [2] on page 12.
[4] All industries covered.
[5] Unemployed excluding school-leavers.
[6] Vacancies notified to employment offices.
[7] Purchased by manufacturing industry.
[8] Figure not available due to industrial action.
[9] Owing to industrial action by some Department of Employment staff the provisional estimate is based on returns or estimates received from only just over half the country.
[10] Provisional.

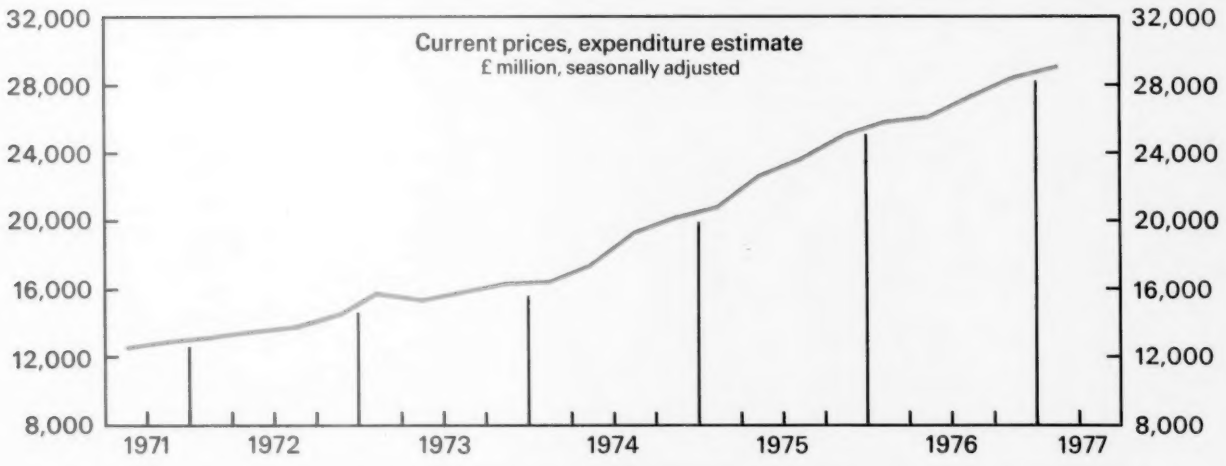
Tables and charts

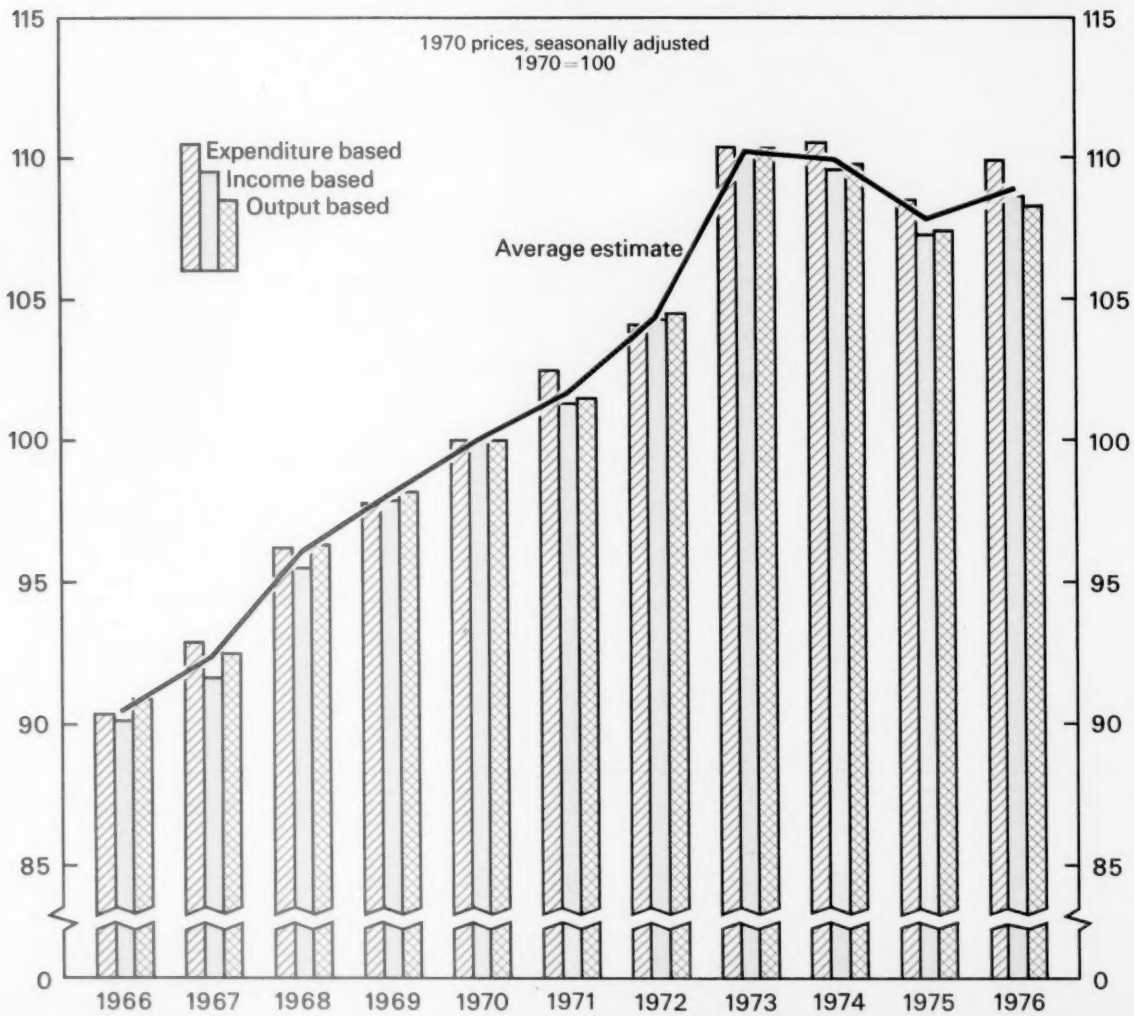
Gross domestic product at factor cost[1] and national disposable income revalued at 1970 market prices[2]

Seasonally adjusted

	Gross domestic product at factor cost									National disposable income
	At current prices				At 1970 factor cost					At 1970 market prices
	£ million		1970=100		£ million	1970=100				1970=100
	Based on:		Based on:		Based on:	Based on:				
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data §	income data[3] §	output data §	Average estimate §	Average estimate
1966	33,105	32,969	76·1	75·6	39,297	90·4	90·1	90·9	90·5	90·2
1967	34,925	34,584	80·3	79·4	40,347	92·9	91·7	92·5	92·4	92·0
1968	37,457	37,243	86·1	85·5	41,835	96·2	95·5	96·3	96·0	94·9
1969	39,483	39,598	90·8	90·9	42,541	97·8	97·9	98·2	98·0	97·3
1970	43,489	43,580	100·0	100·0	43,489	100·0	100·0	100·0	100·0	100·0
1971	49,174†	48,690†	113·1†	111·7	44,588†	102·5†	101·3	101·5	101·8†	102·1†
1972	55,039	55,270	126·8	126·8	45,282	104·1	104·3	104·5†	104·3	105·3
1973	63,439	63,375	145·9	145·4	47,997	110·4	110·0	110·3	110·2	110·1
1974	73,521	73,038	169·1	167·6	48,062	110·5	109·6†	109·7	109·9	104·9
1975	93,121	92,150	214·1	211·4†	47,204	108·5	107·2	107·4	107·7	104·7
1976	107,775	106,742	247·8	244·9	47,803	109·9	108·6	108·2	108·9	106·1
1971 *3*	12,662†	12,485†	116·5†	114·6	11,310†	104·0†	102·3†	102·0†	102·8†	103·6
4	12,921	12,772	118·8	117·2	11,327	104·2	102·8	102·5	103·2	
1972 *1*	13,218	12,810	121·6	117·6	11,145	102·5	99·2	101·2	101·0	104·3
2	13,531	13,661	124.5	125.4	11,324	104·2	105·0	104·6	104·6	
3	13,813	14,115	127·0	129·6†	11,256	103·5	105·6	105·1	104·7	106·4
4	14,477	14,684	133·2	134·8	11,557	106·3	107·6	106·9	106·9	
1973 *1*	15,779	15,227	145·1	139·8	12,209	112·3	108·2	110·5	110·3	110·8
2	15,393	15,680	141·6	143·9	11,949	109·9	111·7	109·7	110·4	
3	15,875	16,039	146·0	147·2	11,932	109·7	110·7	110·7	110·4	109·5
4	16,392	16,429	150·8	150·8	11,907	109·5	109·5	110·7	109·9	
1974 *1*	16,511	15,810	151·9	145·1	11,684	107·5	102·8	107·6	106·0	103·3
2	17,530	17,372	161·2	159·4	12,084	111·1	110·1	110·2	110·5	
3	19,362	19,385	178·1	177·9	12,227	112·5	112·5	111·2	112·0	106·6
4	20,118	20,471	185·0	187·9	12,067	111·0	112·8	109·6	111·1	
1975 *1*	21,661	21,279	199·2	195·3	12,024†	110·6	108·4	109·7	109·5	104·9
2	22,705	22,431	208·8	205·9	11,759	108·2	106·7	107·2	107·4	
3	23,659	23,666	217·6	217·2	11,610	106·8	106·6	106·3	106·6	104·6
4	25,096	24,774	230·9	227·3	11,811	108·6	107·0	106·6	107·4	
1976 *1*	25,893	25,317	238·1	232·4	12,069	111·0	108·3	108·1	109·1	106·1
2	26,134	26,342	240·4	241·8	11,760	108·2	108·8	107·7	108·2	
3	27,266	27,064	250·8	248·4	11,875	109·2	108·2	107·6	108·3	106·2
4	28,482	28,019	262·0	257·1	12,099	111·3	109·2	109·3	110·0	
1977 *1*	29,023	28,620	266·9	262·7	11,912	109·6	107·8	109·8	109·1	107·4
2										
	Percentage change, period on corresponding period of previous year									
1975 *3*	*+22·2*	*+22·1*	*+22·2*	*+22·1*	*−5·0†*	*−5·1*	*−5·2†*	*−4·4†*	*−4·8†*	*−1·9*
4	*+24·7*	*+21·0*	*+24·7†*	*+21·0*	*−2·1*	*−2·2*	*−5·1*	*−2·7*	*−3·3*	
1976 *1*	*+19·5†*	*+19·0†*	*+19·5*	*+19·0†*	*+0·4*	*+0·4†*	—	*−1·5*	*−0·4*	*+1·1†*
2	*+15·1*	*+17·4*	*+15·1*	*+17·4*	—	—	*+2·0*	*+0·5*	*+0·7*	
3	*+15·2*	*+14·4*	*+15·2*	*+14·4*	*+2·3*	*+2·2*	*+1·5*	*+1·2*	*+1·6*	*+1·5*
4	*+13·5*	*+12·3*	*+13·5*	*+12·3*	*+2·4*	*+2·5*	*+2·1*	*+2·5*	*+2·4*	
1977 *1*	*+12·1*	*+13·0*	*+12·1*	*+13·0*	*−1·3*	*−1·3*	*−0·5*	*+1·6*	—	
2										

[1] These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Introduced in an article on page xxviii *Economic Trends* January 1975.
[3] Income data deflated by the price index implied by estimates based on expenditure data.


Current prices, expenditure estimate
£ million, seasonally adjusted
32,000
28,000
24,000
20,000
16,000
12,000
8,000
1971
1972
1973
1974
1975
1976
1977


1970 prices, seasonally adjusted
1970=100
Expenditure based
Income based
Output based
Average estimate
115
110
105
100
95
90
85
0
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
1976

Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1970 prices

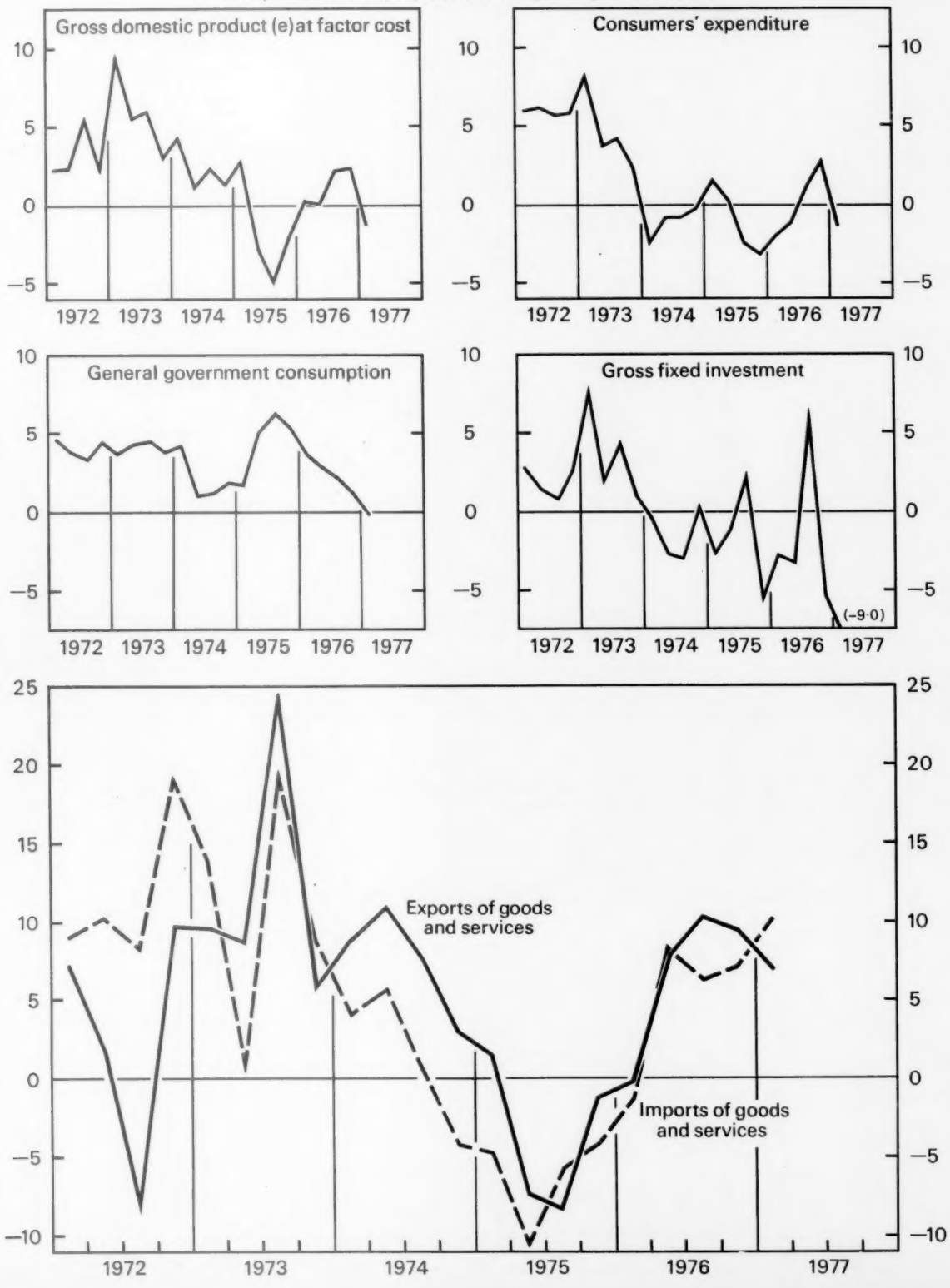
	Gross domestic product at factor cost (expenditure based)	Final expenditure on goods and services at market prices							
		Total	Consumers' expenditure§	General government consumption	Gross fixed investment§	Stock building§	Exports of goods and services§	Imports of goods and services§	Adjustment to factor cost
1965	38,531	53,973	28,705	8,357	7,900	616	8,395	8,644	6,798
1966	39,297	55,088	29,255	8,595	8,097	420	8,721	8,873	6,918
1967	40,347	56,964	29,876	9,075	8,780	368	8,865	9,502	7,115
1968	41,835	59,330	30,627	9,103	9,182	504	9,914	10,217	7,278
1969	42,541	60,352	30,826	8,960	9,216	468	10,882	10,559	7,252
1970	43,489	62,123	31,644	9,095	9,453	442	11,489	11,101	7,533
1971	44,488†	64,035†	32,597†	9,344	9,682	99	12,313	11,630	7,817
1972	45,282	66,684	34,440	9,725	9,862	39	12,618	12,986	8,416
1973	47,997	71,625	36,003	10,123	10,283	1,127	14,089	14,657	8,971
1974	48,062	71,798	35,590	10,328	10,124	602	15,154	14,855	8,881
1975	47,204	69,905	35,234	10,797	9,991	−680	14,563†	13,890†	8,811
1976	47,803	71,452	35,290	11,057†	9,556†	− 2†	15,551	14,592	9,057
1971 *3*	11,310†	16,169†	8,226†	2,347	2,433	11	3,152	2,874	1,985
4	11,327	16,302	8,323	2,364	2,443	39	3,133	2,945	2,030
1972 *1*	11 145	16,321	8,406	2,410	2,434	− 15	3,086	3,123	2,053
2	11,324	16,692	8,574	2,418	2,468	24	3,208	3,244	2,124
3	11,256	16,445	8,672	2,426	2,453	8	2,886	3,115	2,074
4	11,557	17,226	8,788	2,471	2,507	22	3,438	3,504	2,165
1973 *1*	12,209	17,998	9,083	2,500	2,616	418	3,381	3,544	2,245
2	11,949	17,754	8,895	2,521	2,517	336	3,485	3,587	2,218
3	11,932	17,896	9,035	2,536	2,562	176	3,587	3,714	2,250
4	11,907	17,977	8,990	2,566	2,588	197	3,636	3,812	2,258
1974 *1*	11,684	17,638	8,854	2,606	2,603	−105	3,680	3,684	2,270†
2	12,084	17,997	8,813	2,547	2,447	321	3,869	3,783	2,130
3	12,227	18,190	8,952	2,564	2,484	330	3,860	3,740	2,223
4	12,067	17,973	8,971	2,611	2,590	56	3,745	3,648	2,258
1975 *1*	12,024	17,788	8,988	2,649	2,534	−125	3,742†	3,504†	2,260
2	11,759	17,301	8,833	2,676	2,474	−267	3,585	3,373	2,169
3	11,610	17,313	8,724	2,722	2,540[1]	−208	3,535	3,522[1]	2,181
4	11,811	17,503	8,689	2,750	2,443	− 80	3,701	3,491	2,201
1976 *1*	12,069	17,781	8,811	2,747	2,460	25	3,738	3,459	2,253†
2	11,760	17,641	8,730	2,751†	2,394[1]	− 97	3,863	3,656[1]	2,225
3	11,875	17,871	8,824	2,778	2,392[1]	− 22	3,899	3,739[1]	2,257
4	12,099	18,159	8,925	2,781	2,310	92†	4,051	3,738	2,322
1977 *1*	11,912	17,954	8,720	2,741	2,238	255	4,000	3,810	2,232
2									

Percentage change, quarter on corresponding quarter of previous year

1975 *3*	*−5·0†*	*−4·8*	*−2·5*	*+6·2*	*+2·3*	..	*− 8·4†*	*− 5·8*	*−1·9*
4	*−2·1*	*−2·6†*	*−3·1*	*+5·3*	*−5·7*	..	*− 1·2*	*− 4·3*	*−2·5*
1976 *1*	*+0·4*	*—*	*−2·0*	*+3·7*	*−2·9*	..	*− 0·1*	*− 1·3*	*−0·3†*
2	*—*	*+2·0*	*−1·2*	*+2·8†*	*−3·2*	..	*+ 7·8*	*+ 8·4*	*+2·6*
3	*+2·3*	*+3·2*	*+1·1*	*+2·1*	*−5·8*	..	*+10·3*	*+ 6·2†*	*+3·5*
4	*+2·4*	*+3·7*	*+2·7*	*+1·1*	*−5·4†*	..	*+ 9·5*	*+ 7·1*	*+5·5*
1977 *1*	*−1·3*	*+1·0*	*−1·0*	*−0·2*	*−9·0*	..	*+ 7·0*	*+10·1*	*−0·9*
2									

[1] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £100 million in 3rd quarter 1975, £60 million in 2nd quarter 1976 and £50 million in 3rd quarter 1976.

1970 prices, seasonally adjusted, percentage change on year earlier



Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1970 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal savings ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1970=100	£ million
1966	32,190	20,389	26,655	24,211	9·2	32,208	92·6	29,255
1967	33,840	21,173	27,798	25,428	8·5	32,661	93·9	29,876
1968	36,463	22,566	29,701	27,338	8·0	33,274	95·7	30,627
1969	39,113	24,188	31,663	29,102	8·1	33,539	96·5	30,826
1970	43,323	26,994	34,766	31,644	9·0	34,766	100·0	31,644
1971	47,744	29,691	38,454	35,265†	8·3	35,545	102·2	32,597†
1972	54,238	33,163	44,239	39,785	10·1	38,296	110·2	34,440
1973	62,691	38,079	50,870†	45,072	11·4	40,634	116·9	36,003
1974	75,913	45,900	60,363	51,811	14·2	41,465	119·3	35,590
1975	96,342	59,292	74,305	63,333	14·9†	41,338	118·9	35,234
1976	111,362†	66,830	85,302	73,128	14·4	41,165†	118·3	35,290
1972 *3*	13,632	8,402	11,174	10,125	9·4	9,572	110·1	8,672
4	14,310	8,734	11,714	10,451	10·8	9,851	113·3	8,788
1973 *1*	14,847	8,963	12,012	10,994	8·5	9,927	114·2	9,083
2	15,577	9,461	12,654	10,971	13·3	10,262	118·1	8,895
3	15,862	9,702	12,898	11,400	11·6	10,225	117·6	9,035
4	16,405	9,953	13,306	11,707	12·0	10,220	117·6	8,990
1974 *1*	17,157	10,192	13,818	12,015	13·1	10,190	117·3	8,854
2	18,028	10,924	14,419	12,606	12·6	10,088	116·1	8,813
3	19,639	11,872	15,555	13,294	14·5	10,482	120·6	8,952
4	21,089	12,912	16,571	13,896	16·1	10,705	123·2	8,971
1975 *1*	22,378	13,963	17,437	14,673	15·8	10,678	122·9	8,988
2	23,453	14,460	18,110	15,583	14·0	10,262	118·1	8,833
3	24,901	15,287	19,191	16,298	15·1	10,269	118·2	8,724
4	25,610	15,582	19,567	16,779	14·2	10,129	116·5	8,689
1976 *1*	26,622†	15,927†	20,427†	17,450	14·6	10,311	118·6	8,811
2	27,570	16,668	20,855	17,746	14·9	10,256	118·0	8,730
3	28,241	17,020	21,930	18,521	15·6	10,445	120·2	8,824
4	28,929	17,215	22,090	19,411	12·1	10,153	116·8	8,925
1977 *1*	29,701	17,660	22,678	19,831	12·6	9,976	114·8	8,720†
2								

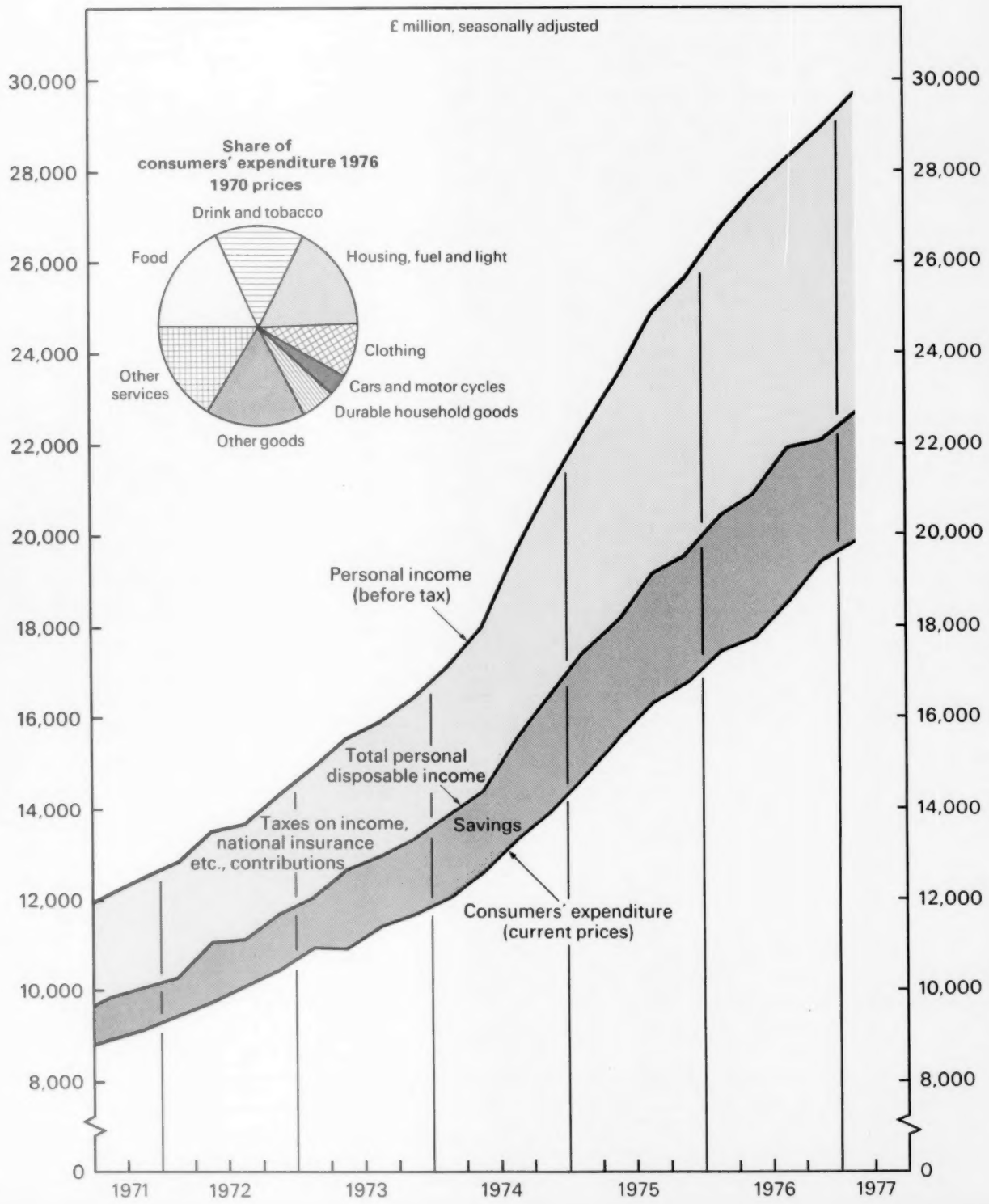
[1] Before providing for depreciation and stock appreciation. [2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1970=100).

Real consumers' expenditure — component categories

Seasonally adjusted

£ million, 1970 prices

	Total §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1966	29,255	6,187	3,664	3,625	1,387	2,425	1,273	833	4,230	5,631
1967	29,876	6,239	3,752	3,763	1,393	2,464	1,327	916	4,435	5,587
1968	30,627	6,277	3,851	3,899	1,432	2,599	1,421	975	4,642	5,531
1969	30,826	6,273	3,873	4,028	1,485	2,643	1,374	870	4,694	5,586
1970	31,644	6,375	4,019	4,101	1,495	2,757	1,438	997	4,782	5,680
1971	32,597†	6,374	4,112	4,205	1,480	2,806	1,567	1,329	4,927	5,797†
1972	34,440	6,326	4,389	4,307	1,534	2,975	1,864	1,580	5,405	6,060
1973	36,003	6,397	4,848	4,431	1,574	3,129	2,062	1,523	5,813	6,226
1974	35,590	6,403	4,920	4,466	1,616	3,104	1,932	1,100	5,893	6,156
1975	35,234	6,437	4,839	4,486	1,596	3,161	1,864	1,092	5,732	6,027
1976	35,290	6,477	4,932	4,495	1,601	3,214	1,926	1,236	5,712	5,697
1975 *3*	8,724	1,620	1,195	1,119	383	789	424	308	1,412	1,474
4	8,689	1,620	1,206	1,123	391	772	436	235	1,419	1,487
1976 *1*	8,811	1,617	1,173	1,111	427	795	472	326	1,433	1,457
2	8,730	1,615	1,225	1,119	381	789	460	274	1,425	1,442
3	8,824	1,641	1,253	1,128	375	819	496	300	1,420	1,392
4	8,925	1,604	1,281	1,137	418	811	498	336	1,434	1,406
1977 *1*	8,720†	1,581	1,150	1,131	417	823	459	347	1,419	1,393
2										


£ million, seasonally adjusted
30,000
28,000
26,000
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
8,000
0
Share of consumers' expenditure 1976 1970 prices
Drink and tobacco
Food
Housing, fuel and light
Clothing
Other services
Cars and motor cycles
Durable household goods
Other goods
Personal income (before tax)
Total personal disposable income
Taxes on income, national insurance etc., contributions
Savings
Consumers' expenditure (current prices)
1971
1972
1973
1974
1975
1976
1977

Retail sales, new registrations of cars and hire purchase debt (Great Britain)

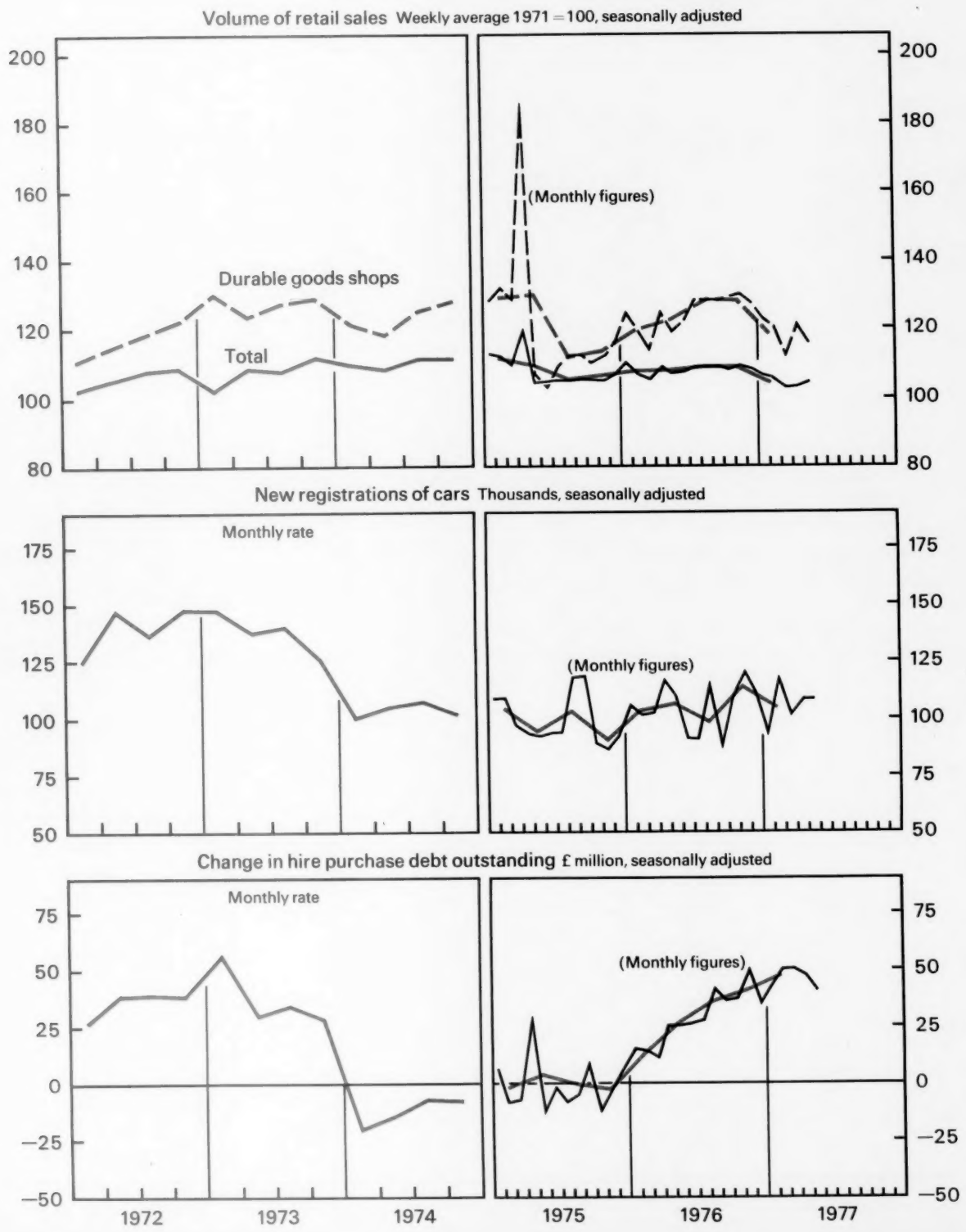
	Seasonally adjusted								
	Weekly average 1971=100						Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]						Hire purchase and other instalment credit[3,4]	
	Total[5] §	Total[5] §	Food shops[5] §	Clothing and footwear shops §	Durable goods shops §	Other non-food shops §	New registrations of cars §	New credit extended	Changes in debt outstanding
Sales in 1971 £ million[5]	*15,895*	*15,895*	*6,693*	*2,314*	*1,801*	*5,087*			
1966	72·7	92·9	98·3	93	84	89	88·8	1,450	−135
1967	75·3	94·7	99·5	93	87	92	93·1	1,556	− 40
1968	80·4	97·3	100·5	96	92	96	93·1	1,643	+ 46
1969	84·9	97·3	101·6	96	89	96	82·3	1,587	− 20
1970	91·4	99·1	101·7	98	92	99	91·4	1,775	+ 84
1971	100·0	100·0	100·0	100	100	100	108·5	2,053	+240
1972	112·0	105·8	101·5	105	115	109	138·6	2,497	+424
1973	126·9	110·7	101·0	109	127	118	137·1	2,871	+438
1974	146·7	109·9	101·8	107	123	117	102·8	2,517	−155
1975	174·5	107·9	99·3	108	121	115	97·2	2,992	− 10
1976	200·3	108·1	99·1	108	124	114	104·7	3,610†	+342
1972 *1*	105·8	102·1	99·9	100	107	104	124·0	565†	+ 78
2	109·3	104·8	101·1	104	114	107	147·7	623	+116†
3	114·1	107·3	101·7	108	118	111	135·4	640	+116
4	118·6	109·2	103·1	107	122	114	147·2	669	+114
1973 *1*	123·4	111·6	100·8	115	130	118	147·1	750	+170
2	122·2	108·6	100·9	105	123	115	137·1	685	+ 86
3	128·0	110·7	101·2	108	127	119	139·2	722	+100
4	134·0	111·7	101·1	109	129	121	125·2	714	+ 82
1974 *1*	136·5	109·4	100·1	107	121	119	99·3	569	− 62
2	141·2	108·0	101·3	104	118	115	104·3	617	− 45
3	150·9	111·2	103·0	110	125	118	106·8	652	− 22
4	158·1	111·2	102·7	107	128	119	101·0	679	− 26
1975 *1*	166·0	111·1	100·8	112	129	118	104·3	713	− 8
2	174·2	109·2	99·0	108	130	116	92·7	757	+ 12
3	176·7	105·4	98·1	107	111	112	103·0	750	− 5
4	181·7	105·7	99·1	105	113	112	88·9	772	− 9
1976 *1*	190·3	107·3	99·3	107	119	114	102·7	842	+ 40
2	195·1	107·6	99·8	107	122	113	105·7	873	+ 76
3	203·8	108·9	99·0	108	128	115	97·4	917	+105
4	211·9	108·5	98·2	108	128	115	112·8	978	+121
1977 *1*	217·1	105·0	94·9	108	118	113	104·1	1,017	+143
2									
1976 *J*	193·7	110·2	99·6	113	125	118	105·3	282	+ 15†
F	189·1	106·6	99·3	106	119	112	101·0	277	+ 14
M	188·6	105·4	99·0	103	114	111	101·9	283†	+ 11
A	196·2	108·8	101·5	108	125	113	116·4	289	+ 25
M	193·5	106·8	99·2	106	119	113	109·7	292	+ 25
J	195·6	107·3	98·9	108	122	113	91·0	292	+ 26
J	200·2	108·8	99·7	108	128	115	90·6	288	+ 27
A	204·2	108·9	99·4	108	128	115	115·0	310	+ 42
S	206·4	108·9	98·2	110	128	116	86·5	319	+ 36
O	207·7	108·1	98·0	107	129	115	108·8	312	+ 37
N	212·9	109·2	97·9	108	130	117	119·2	335	+ 50
D	214·5	108·3	98·6	108	127	115	110·5	331	+ 34
1977 *J*	217·6	106·7	94·2	113	123	115	92·6	324	+ 43
F	218·1	105·7	95·5	107	120	113	117·6	342	+ 50
M	215·8	103·1	95·0	104	111	111	102·1	351	+ 50
A	219·5	103·4	94·6	102	121	109	107·5	349	+ 47
M	221·8	104·4	95·8	105	116	111	107·9	359	+ 40
J									

[1] Monthly averages. [2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1975 is exceptionally a five-week period. Further details are given in the technical note to the retail sales figures on page 716 of *Trade and Industry*, 14 March 1975.

[3] Credit extended by and repaid to finance houses and retailers, i.e. durable goods shops and department stores *plus* other general stores, general mail order houses and the non-durable goods departments of co-operative societies.

[4] The seasonal adjustments have been revised in the light of subsequent experience.

[5] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.


Volume of retail sales Weekly average 1971 = 100, seasonally adjusted
200
180
160
140
120
100
80
Durable goods shops
Total
(Monthly figures)
New registrations of cars Thousands, seasonally adjusted
Monthly rate
175
150
125
100
75
50
(Monthly figures)
Change in hire purchase debt outstanding £ million, seasonally adjusted
Monthly rate
75
50
25
0
−25
−50
(Monthly figures)
1972
1973
1974
1975
1976
1977

Shares of income and expenditure

Seasonally adjusted

	£ million	Per cent					£ million	Per cent		
		Percentage share of total final expenditure						Percentage share of total domestic income		
	Total final expenditure (current market prices)	Consumers' expenditure	General government current expenditure on goods and services	Gross fixed investment: General government	Gross fixed investment: Public corporations	Gross fixed investment: Private sector	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1,2]
1966	45,178	53·6	14·5	3·7	3·2	8·4	33,330	68·4	13·8	17·8
1967	47,925	53·1	15·2	4·1	3·5	8·1	34,778	68·3	13·4	18·3
1968	52,700	51·9	14·7	4·1	3·1	8·4	37,813	67·2	14·0	18·8
1969	56,294	51·7	14·4	4·0	2·6	8·6	40,332	67·3	13·2	19·5
1970	62,123	50·9	14·6	3·9	2·7	8·6	44,742	68·0	12·7	19·3
1971	69,160†	51·0†	15·0	3·7	2·7	8·8	49,766	67·3	13·2	19·5
1972	76,881	51·7	15·3	3·7	2·3	9·1	56,605	66·4	13·5	20·1
1973	91,010	49·5	14·7	4·0	2·3	9·3	66,555	65·0	14·4	20·6
1974	109,248	47·4	15·2	4·0	2·6	8·7	79,129	66·3	13·0	20·7†
1975	132,143	47·9	17·3	3·8	3·0	8·7	97,353	70·1	10·2	19·7
1976	157,323	46·5	16·8	3·4	2·9	8·3†	113,300†	68·7	11·3†	20·0
1975 *1*	30,758†	47·7	17·3	4·0	3·0	8·5	22,914	69·6	11·0	19·4
2	32,010	48·7	17·1	3·9†	2·7	8·9	23,681	70·2	10·0	19·8
3	33,848	48·2	17·4	3·6	3·0	9·4	24,801	71·2	9·6	19·2
4	35,527	47·2	17·4	3·9	3·1	8·1	25,957	69·4	10·4	20·2
1976 *1*	36,785	47·4	16·9	4·0	3·2	8·0	26,704†	69·1†	10·7	20·2
2	38,217	46·4	17·0	3·4	2·9	8·5	27,969	69·3	10·7	20·0
3	40,119	46·2	16·9†	3·1	2·7	8·9	28,770	69·0	11·0	20·0
4	42,202	46·0†	16·4	3·1	2·9	8·0	29,857	67·3	12·5	20·2
1977 *1*	43,150	46·0	16·0	3·2	2·7	7·9	30,532	67·3	12·5	20·2
2										

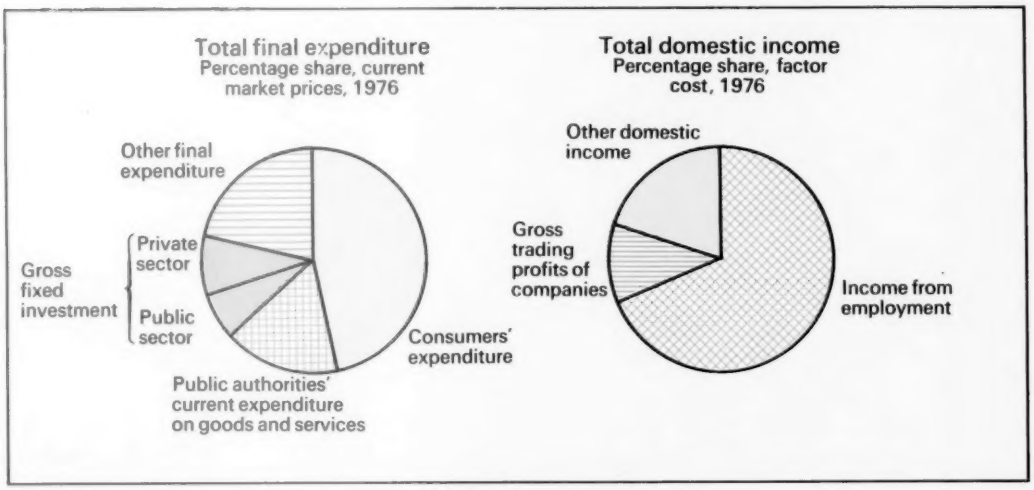
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and other public enterprises, income from rent and self-employment.

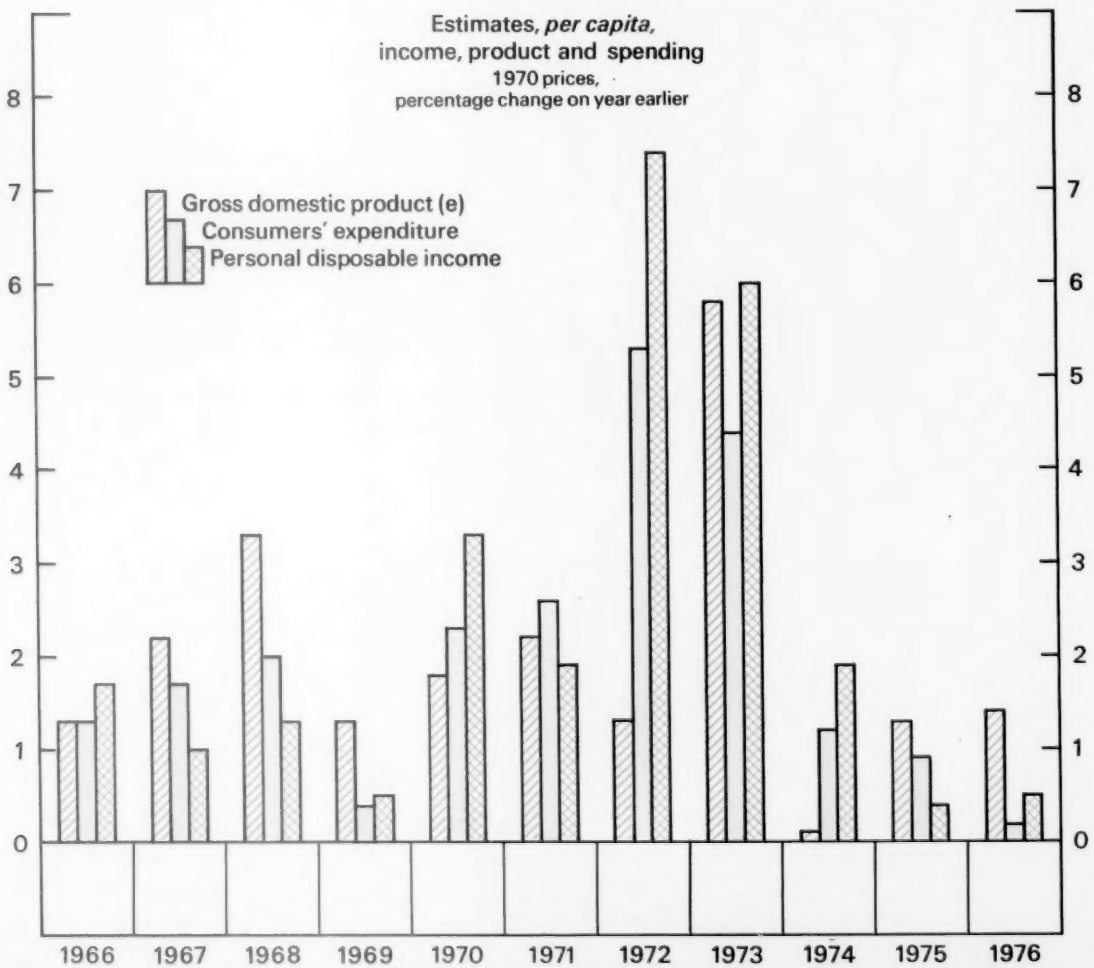
Estimates, *per capita*, income, product and spending

Seasonally adjusted

	£, current prices				£, 1970 prices		
	Gross national product[1]	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income
1966	613	606	443	488	719	535	589
1967	643	636	463	506	734	544	595
1968	685	679	496	538	758	555	603
1969	722	713	526	572	768	557	606
1970	793	783	570	626	783	570	626
1971	892	883	633	690	800	585	638
1972	994	985	712	792	810	616	685
1973	1,156	1,132	805	908	857	643	725
1974	1,335	1,312	924	1,077	857	635	740
1975	1,678	1,662	1,130	1,326	842	629	738
1976	1,943	1,924†	1,305	1,523†	853†	630	735†
1975 *1*	390	386†	262	311	215†	160	191
2	408†	405	278	323	210	158	183
3	426	422	291	342	207	156	183
4	453	448	299	349	211	155	181
1976 *1*	467	462	311	365	215	157	184†
2	471	466	317	372	210	156	183
3	492	487	331	391	212	158	186
4	513	508	347	394†	216	159	181
1977 *1*	523	518	354	405	213	156	178
2							

[1] At factor cost.
[2] Based on expenditure data.


Total final expenditure
Percentage share, current market prices, 1976
Other final expenditure
Gross fixed investment
Private sector
Public sector
Consumers' expenditure
Public authorities' current expenditure on goods and services
Total domestic income
Percentage share, factor cost, 1976
Other domestic income
Gross trading profits of companies
Income from employment


Estimates, per capita, income, product and spending
1970 prices, percentage change on year earlier
Gross domestic product (e)
Consumers' expenditure
Personal disposable income
8
7
6
5
4
3
2
1
0
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
1976

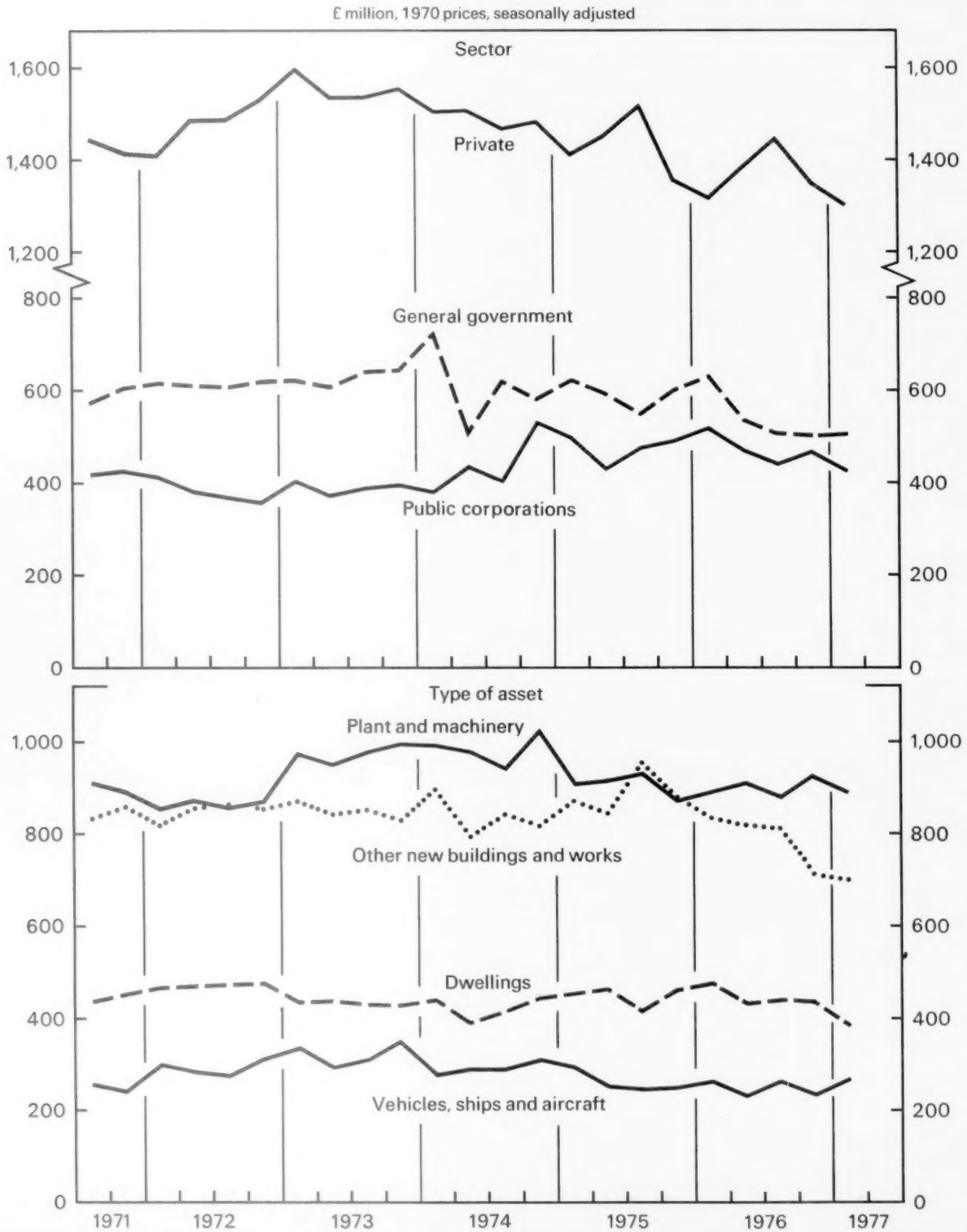
Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1970 prices

	Sector[1]			Type of asset					
				Dwellings					
					of which:				
	Total§	Private sector	General government	Public corporations	Total	Private	Public	Other new building and works[2]	Vehicles ships and aircraft	Plant and machinery
1966	8,097	4,344	2,015	1,738	1,603	847	756	2,601	674	3,219
1967	8,780	4,488	2,316	1,976	1,784	915	869	2,879	752	3,365
1968	9,182	4,906	2,432	1,844	1,868	957	911	3,020	928	3,366
1969	9,216	5,211	2,390	1,615	1,785	894	891	3,050	912	3,469
1970	9,453	5,343	2,431	1,679	1,643	841	802	3,173	979	3,658
1971	9,682	5,596	2,388	1,698	1,754	1,007	747	3,315	1,013	3,600
1972	9,862	5,907	2,449	1,506	1,872	1,160	712	3,382	1,166	3,442
1973	10,283	6,223	2,504	1,556	1,727	1,017	710	3,388	1,283	3,885
1974	10,124	5,953	2,433	1,738	1,684	863	821	3,352	1,165	3,923
1975	9,991	5,736	2,358	1,897	1,798	918	880	3,544	1,038	3,611
1976	9,556†	5,496†	2,171†	1,889	1,791†	884	907†	3,181†	991†	3,593
1971 *1*	2,372	1,308	625	439	421	234	187	801	252	898
2	2,434	1,427	587	420	443	248	195	826	267	898
3	2,433	1,445	572	416	438	258	180	830	254	911
4	2,443	1,416	604	423	452	267	185	858	240	893
1972 *1*	2,434	1,406	617	411	464	283	181	817	298	855
2	2,468	1,484	608	376	465	282	183	855	281	867
3	2,453	1,483	605	365	469	301	168	856	274	854
4	2,507	1,534	619	354	474	294	180	854	313	866
1973 *1*	2,616	1,596	619	401	436	259	177	871	337	972
2	2,517	1,536	605	376	439	265	174	841	291	946
3	2,562	1,536	639	387	431	248	183	849	308	974
4	2,588	1,555	641	392	421	245	176	827	347	993
1974 *1*	2,603	1,502	724	377	440	231	209	897	278	988
2	2,447	1,504	511	432	387	209	178	795	289	976
3	2,484	1,466	618	400	415	195	220	841	289	939
4	2,590	1,481	580	529	442	228	214	819	309	1,020
1975 *1*	2,534	1,415	620	499	455	228	227	873	295	911
2	2,474	1,451	590	433	463	237	226	843	252	916
3	2,540[3]	1,516[3]	548	476	417	228	189	955[3]	244	924
4	2,443	1,354	600	489	463	225	238	873	247	860
1976 *1*	2,460	1,315	628	517	476	227	249	834	263	887
2	2,394[3]	1,387†	538	469	437	215	222	818[3]	236	903
3	2,392[3]	1,449[3]	504†	439	440	229	211	813[3]	261	878
4	2,310†	1,345	501	464	438†	213	225†	716†	231†	925
1977 *1*	2,238	1,304	507	427	383	179	204	700	266	889
2										
	Percentage change, quarter on corresponding quarter of previous year									
1975 *1*	*−2·7*	*−5·8*	*−14·4*	*+32·4*	*+ 3·4*	*− 1·3*	*+ 8·6*	*− 2·7*	*+ 6·1*	*− 7·8*
2	*+1·1*	*−3·5*	*+15·5*	*+ 0·2*	*+19·6*	*+13·4*	*+27·0*	*+ 6·0*	*−12·8*	*− 6·1*
3	*+2·3*	*+3·4*	*−11·3*	*+19·0*	*+ 0·5*	*+16·9*	*−14·1*	*+13·6*	*−15·6*	*− 1·6*
4	*−5·7*	*−8·6*	*+ 3·4*	*− 7·6*	*+ 4·8*	*− 1·3*	*+11·2*	*+ 6·6*	*−20·1*	*−15·7*
1976 *1*	*−2·9*	*−7·1*	*+ 1·3*	*+ 3·6*	*+ 4·6*	*− 0·4*	*+ 9·7*	*− 4·5*	*−10·8*	*− 2·6*
2	*−3·2*	*−4·4*	*− 8·8*	*+ 8·3*	*− 5·6*	*− 9·3*	*− 1·8*	*− 3·0*	*− 6·3*	*− 1·4*
3	*−5·8*	*−4·4†*	*− 8·0†*	*− 7·8*	*+ 5·5*	*+ 0·4*	*+11·6*	*−14·9*	*+ 7·0*	*− 5·0*
4	*−5·4†*	*−0·7*	*−16·5*	*− 5·1*	*− 5·4†*	*− 5·3*	*− 5·5†*	*−18·0†*	*− 6·5†*	*+ 7·6*
1977 *1*	*−9·0*	*−0·8*	*−19·3*	*−17·4*	*−19·5*	*−21·1*	*−18·1*	*−16·1*	*+ 1·1*	*+ 0·2*
2										

[1] Including purchases *less* sales of land and existing buildings. [2] Including transfer costs of land and buildings.
[3] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £100 million in 3rd quarter 1975, £60 million in 2nd quarter 1976 and £50 million in 3rd quarter 1976.


£ million, 1970 prices, seasonally adjusted
Sector
Private
General government
Public corporations
1,600
1,400
1,200
800
600
400
200
0
Type of asset
Plant and machinery
Other new buildings and works
Dwellings
Vehicles, ships and aircraft
1,000
800
600
400
200
0
1971
1972
1973
1974
1975
1976
1977

Indicators of fixed investment by manufacturing industry

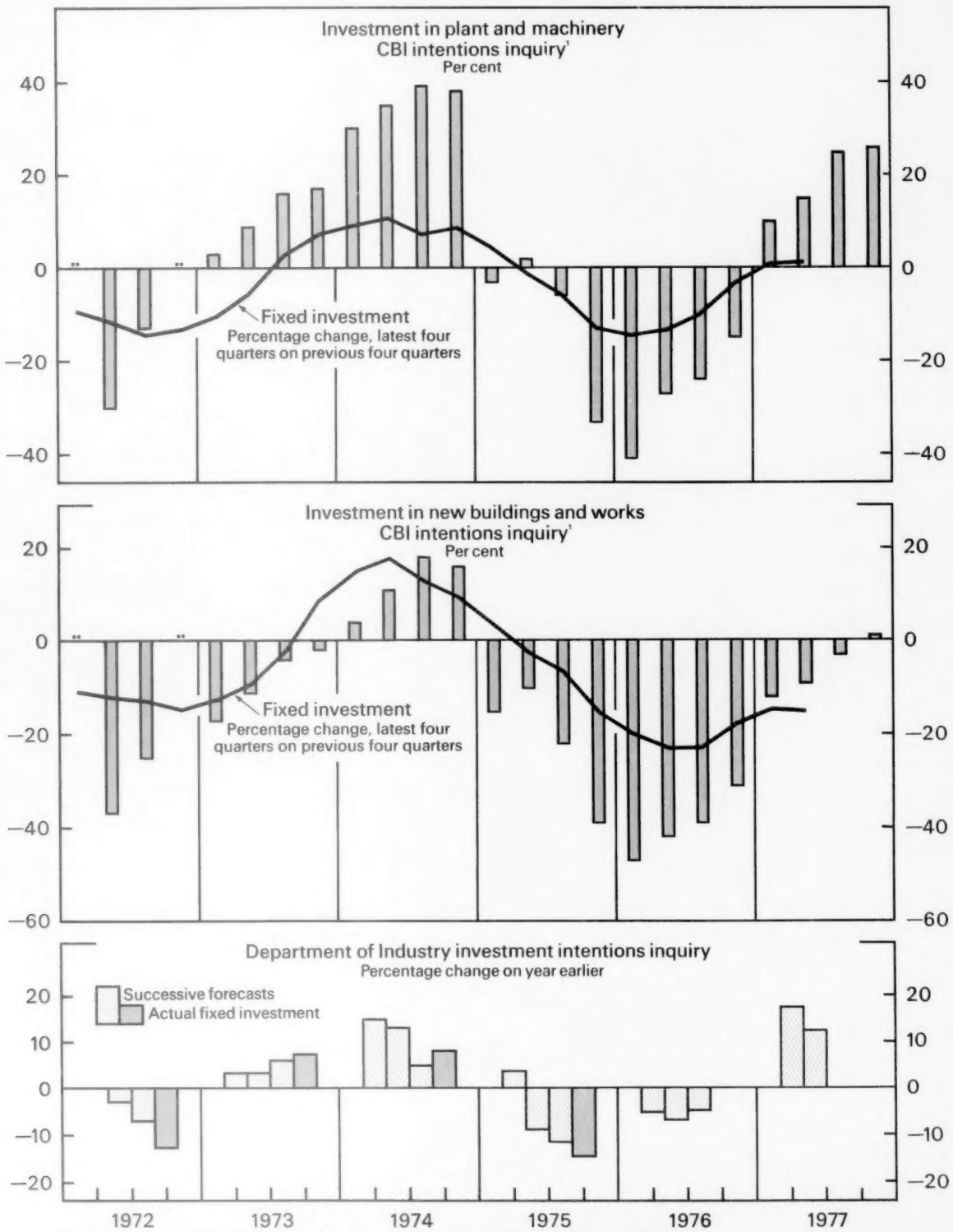
	Gross fixed investment in manufacturing industry							New orders received by contractors for private industrial work (GB)[1,2,5]
	Total§	Plant and machinery			New building and works			
		Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1970 prices, seasonally adjusted	£ million, 1970 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[3]	£ million, 1970 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[3]	£ million, 1970 prices, seasonally adjusted
1966	1,773·7	1,312·0	+ *6*	..	363·4	− *5*	..	510·2†
1967	1,737·7	1,318·6	+ *1*	..	319·6	−*12*	..	527·9
1968	1,851·2	1,406·1	+ *7*	..	335·9	+ *5*	..	549·6
1969	1,977·5	1,471·5	+ *5*	..	390·1	+*16*	..	605·9
1970	2,129·8	1,623·9	+*10*	..	391·2	—	..	565·2
1971	1,990·7	1,520·2	− *6*	..	357·1	− *9*	..	405·2
1972	1,739·2	1,310·4	−*14*	..	305·5	−*14*	..	400·5
1973	1,871·7	1,407·9	+ *8*	..	330·8	+ *8*	..	514·9
1974	2,024·0	1,524·4	+ *8*	..	361·4	+ *9*	..	433·0
1975	1,737·2	1,325·4	−*13*	..	307·3	−*15*	..	276·9
1976	1,650·5	1,278·1	− *4*	..	252·6	−*18*	..	331·8
1971 *3*	497·9	383·5	− *6*	−13	87·2	−*11*	−25	97·9
4	480·4	362·1	−*13*	..	89·0	−*11*	..	96·4
1972 *1*	458·1	350·1	−*11*	3	79·8	−*12*	−17	101·2
2	429·1	321·7	−*15*	9	77·8	−*14*	−11	102·8
3	424·8	316·6	−*17*	16	76·3	−*13*	− 4	97·4
4	427·2	322·0	−*11*	17	71·6	−*20*	− 2	99·0
1973 *1*	466·8	356·1	+ *2*	30	76·7	− *4*	4	121·7
2	448·9	338·8	+ *5*	35	78·2	+ *1*	11	124·5
3	488·6	365·7	+*16*	39	89·2	+*17*	18	130·0
4	467·4	347·3	+ *8*	38	86·7	+*21*	16	138·8
1974 *1*	509·9	384·0	+ *8*	− 3	91·4	+*19*	−15	108·3
2	502·2	377·5	+*11*	2	89·4	+*14*	−10	109·0
3	501·2	378·0	+ *3*	− 6	87·9	− *1*	−22	109·5
4	510·7	384·9	+*11*	−33	92·7	+ *7*	−39	106·1
1975 *1*	471·2	355·3	− *7*	−41	87·4	− *4*	−47	85·0
2	444·4	338·9	−*10*	−27	80·2	−*10*	−42	67·0
3	416·1	318·5	−*16*	−24	72·7	−*17*	−39	73·1
4	405·5	312·7	−*19*	−15	67·0	−*28*	−31	51·9
1976 *1*	402·1	309·0	−*13*	10	66·3	−*24*	−12	70·7
2	408·4	315·1	− *7*	15	61·9	−*23*	− 9	83·0
3	417·9	324·9	+ *2*	25	61·9	−*15*	− 3	78·9
4	422·1	329·1	+ *5*	26	62·5	− *7*	1	99·2
1977 *1*	413·6†	322·3†	+ *4*†	29	57·3†	−*14*†	4	95·9[4]
2				31			—	

[1] New orders from 3rd quarter 1974 include orders received by firms, mostly small, added to the statistical register in that period.
[2] From 2nd quarter 1976 figures are not precisely comparable with those for earlier periods because of revisions to estimation methods and minor changes in type of work classification.
[3] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less. Figures relate to Inquiries in February, June and October of each year until 1972, when they are held in the first month of each quarter.
[4] Provisional.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms			
	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1968	probably some increase	about +5	less than +5	+ 6·5
1969	between +10 and +15	+10 to +15, perhaps top end	of the order of +10	+ 6·8
1970	about +10	about +10	about +2 or +3	+ 7·7
1971	no large change	about −2	about −6 to −8	− 6·5
1972	little change, perhaps a rise	about −3	−7	−12·6
1973	+2 to +5	+2 to +5	+6	+ 7·6
1974	strong increase about +15	some +12 to +14	about +5	+ 8·1
1975	less than +5	−7 to −10	about −11 or −12	−14·2
1976	of the order of −5	−5 to −8	−4 to −5	− 5·0
1977	between + 15 and +20	+10 to +15		

[1] For each year the first inquiry is held in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. (In addition the inquiry at the end of the year seeks preliminary information in respect of the second year ahead and another survey in the spring of each year updates the intentions for both years covered by this inquiry; these two inquiries are not included in the table.)

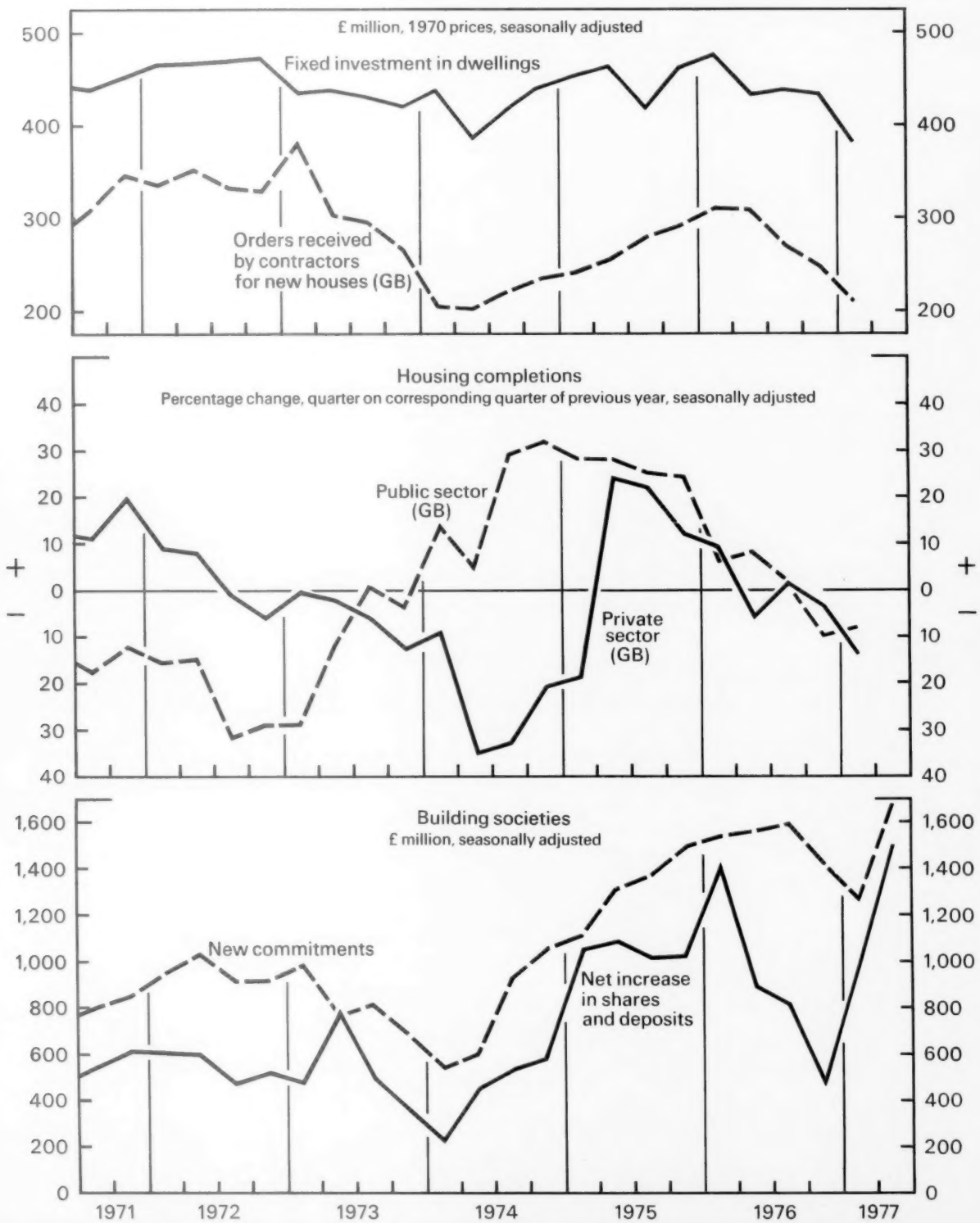


[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment

Indicators of fixed investment in dwellings

	Seasonally adjusted								Unadjusted
	£ million, 1970 prices		Thousands				£ million		1970=100
	Fixed investment in dwellings	Orders received by contractors for new houses (GB)[1,2,3]	Housing starts (GB)§		Housing completions (GB)§		Building Societies Association		Average price of new dwellings: mortgages approved[4]
			Private sector	Public sector	Private sector	Public sector	New commitments for mortgages	Net increase in shares and deposits	
1966	1,603	1,381·3	193·4	185·9	205·4	180·1	1,223	724	79·2
1967	1,784	1,665·9	233·6	213·9	200·4	203·9	1,649	1,099	83·8
1968	1,868	1,435·7	200·1	194·3	222·0	191·7	1,480	767	89·6
1969	1,785	1,165·9	166·8	176·6	181·7	185·1	1,580	895	94·2
1970	1,643	1,171·6	165·1	153·8	170·3	180·1	2,188	1,490	100·0
1971	1,754	1,190·8	207·4	136·9	191·6	158·9	3,013	2,034	115·3
1972	1,872	1,351·1	228·0	123·0	196·5	122·8	3,802	2,193	151·5
1973	1,727	1,247·9	215·7	112·8	186·6	107·5	3,254	2,102	206·4
1974	1,684	866·2	105·9	146·8	140·9	128·6	3,115	1,993	218·9
1975	1,798	1,066·0	149·8	173·9	150·9	162·3	5,302	4,172	239·5[5]
1976	1,791†	1,139·7	154·9†	170·9	152·0†	162·8	6,106	3,575	259·5
1972 *3*	469	332·4	57·6	28·2	48·9	25·9	909	466	167·6
4	474	326·9	62·0	31·0	49·0	27·0	916	526	182·2
1973 *1*	436	382·4	62·6	29·8	48·8	25·8	991	464	196·0
2	439	303·2	54·9	27·8	49·0	29·5	759	784	205·4
3	431	297·7	52·8	27·2	46·1	26·2	816	498	211·6
4	421	264·5	45·4	28·0	42·7	26·0	688	356	217·0
1974 *1*	440	204·6	33·8	34·1	44·3	29·5	533	218	216·8
2	387	202·0	25·8	40·3	31·9	30·8	598	456	215·4
3	415	223·4	22·5	36·5	30·9	33·9	931	634	221·0
4	442	236·1	23·8	35·9	33·8	34·4	1,053	685	221·8
1975 *1*	455	242·6	33·1	41·4	35·8	37·8	1,119	1,054	228·1
2	463	256·1	37·7	37·8	39·7	39·3	1,311	1,085	239·4
3	417	276·9	38·3	44·0	37·6	42·5	1,373	1,012	244·5
4	463	290·3	40·7	50·7	37·8	42·7	1,499	1,021	246·1
1976 *1*	476	311·4	41·8	49·9	39·2	40·2	1,541	1,417	249·8
2	437	309·7	42·3	44·6	37·5	42·5	1,560	884	258·4
3	440	269·3	40·0	44·8	38·3	41·8	1,588	807	264·1
4	438	249·3	30·8†	31·6	37·0	38·3	1,417	467	267·0
1977 *1*	383	211·7[6]	29·5	30·1	33·9	37·0	1,261	985	270·2
2							1,689	1,502	
1976 *J*	..	97·4	13·4	18·1	13·1	13·5	498	398	249·4
F	..	109·6	12·8	16·3	12·0	14·3	495	465	247·0
M	..	104·4	15·6	15·5	14·1	12·4	548	554	252·5
A	..	111·8	13·9	14·7	12·2	14·9	520	397	256·9
M	..	114·3	14·1	15·7	11·9	14·4	510	268	256·7
J	..	83·6	14·3	14·2	13·4	13·2	530	219	261·6
J	..	103·7	13·1	16·4	12·3	13·7	505	243	262·7
A	..	85·7	13·0	14·7	12·3	13·3	523	311	264·7
S	..	79·9	13·9	13·7	13·7	14·8	560	253	265·0
O	..	84·3	10·5	11·5	12·1	13·6	497	170	266·5
N	..	87·1†	10·6	10·9	12·5	13·0	463	118	265·0
D	..	77·9	9·7†	9·2	12·4†	11·7	457	179	270·3
1977 *J*	..	68·1	9·9	11·5	10·9	12·4	396	206	270·4
F	..	65·7	9·2	7·6	11·7	12·9	391	348	268·6
M	..	77·9[6]	10·4	11·0	11·3	11·7	474	431	271·5
A		78·2[6]	12·4	9·7†	12·3	13·6	460	552	
M		79·2[6]	11·2	11·3	11·7	13·0	638	539	
J							591	411	

[1] New orders from 3rd quarter 1974 include orders received from firms, mostly small, added to the statistical register in that period.
[2] From April 1976 figures are not precisely comparable with those for earlier periods because of revisions to estimation methods and minor changes in type of work classification.
[3] Series revised following a review of seasonal factors.
[4] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.
[5] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages. [6] Provisional


£ million, 1970 prices, seasonally adjusted
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
500
400
300
200
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted
Public sector (GB)
Private sector (GB)
+
−
40
30
20
10
0
Building societies
£ million, seasonally adjusted
New commitments
Net increase in shares and deposits
1,600
1,400
1,200
1,000
800
600
400
200
0
1971
1972
1973
1974
1975
1976
1977

Stock changes

Seasonally adjusted

£ million, 1970 prices

	All industries§	Manufacturing[1] Total§	Materials and fuel	Work in progress	Finished goods	Distribution Total	Retail	Wholesale	Other industries
Book values end-December									
1976	18,224†	10,405†	3,468†	4,040†	2,897†	3,807†	1,977	1,830†	4,012†
1971 *3*	11	− 49	−42	− 8	1	23	14	9	37
4	39	− 30	−37	− 5	13	20	17	3	49
1972 *1*	− 15	− 62	−13	12	− 61	18	1	17	29
2	24	− 70	−53	20	− 38	41	40	1	53
3	8	− 36	3	− 7	− 32	− 7	−13	6	51
4	22	23	22	7	− 5	11	−13	24	−12
1973 *1*	418	172	73	100	− 1	122	82	40	124
2	336	99	74	51	− 27	211	205	6	26
3	176	42	31	59	− 48	76	48	28	58
4	197	91	66	43	− 17	75	47	28	31
1974 *1*	−105	− 21	66	− 7	− 80	− 16	−38	22	−68
2	321	197	61	21	115	66	19	47	58
3	330	357	135	73	150	− 37	−39	2	10
4	56	133	14	21	98	− 43	−53	10	−34
1975 *1*	−125	17	−129	29	118	− 61	−38	−23	−81
2	−267	−105	− 59	−31	− 16	−118	−66	−52	−44
3	−208	−234	−133	−72	− 29	9	38	−29	17
4	− 80	− 70	− 58	−38	26	36	43	− 7	−46
1976 *1*	25	31	− 43	37	37	37	12	25	−43
2	− 97	−115	− 37	−66	− 12	− 77	−55	−22	95
3	− 22	3	22	−20	2	31	22	9	−56
4	92†	86†	− 20†	61†	45†	32	22	11†	−27†
1977 *1*	255	180	56	72	52	132	80	52	−57
2									

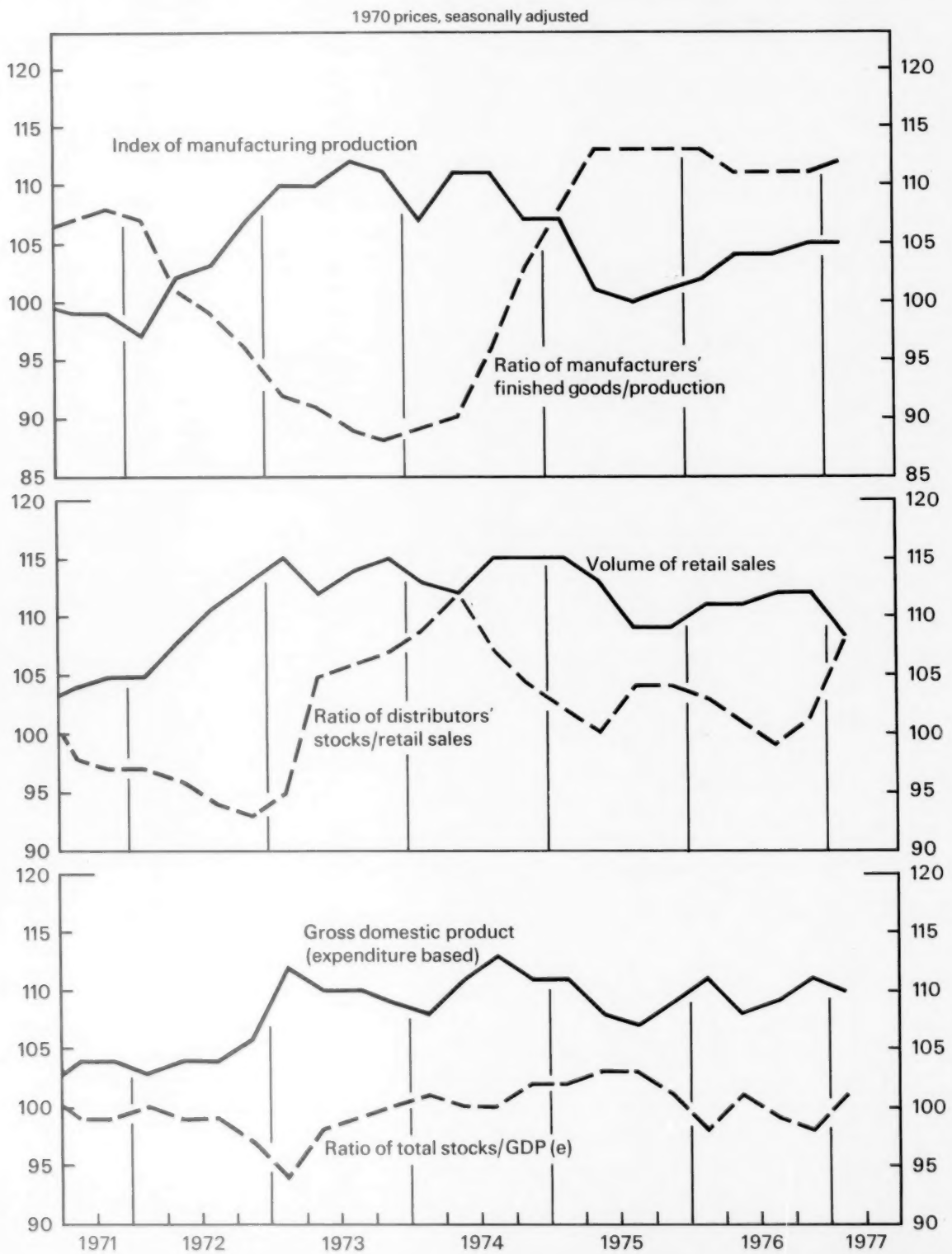
[1]Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

Stock ratios

Seasonally adjusted

1970 prices: stocks level, end-Dec. 1969=100; GDP (e), industrial production and retail sales, 4th quarter 1969=100

	Total stocks to gross domestic product (expenditure based)	Manufactured stocks to manufacturing production Total stocks	Materials and fuel	Work in progress	Finished goods	Distributors' stocks to retail sales
1971 *3*	99	103†	101†	101	107	98
4	99	103	100	102†	108	97
1972 *1*	100	104	101	104	107	97
2	99	99	95	100	101	96
3	99	97	95	98	99	94
4	97	94	92	95	96	93
1973 *1*	94	93	91	95	92	95
2	98	94	93	96	91	105
3	99	93	92	96	89	106
4	100	94	94	97	88	107
1974 *1*	101	97	99	101	89	109
2	100†	96	98	98	90	112
3	100	99	101	100	96	107
4	102	104	105	104	103	104
1975 *1*	102	104	102	104	108	102
2	103	109	106	109	113	100
3	103	108	103	109	113	104
4	101	106	101	107	113	104
1976 *1*	98	105	99	107	113	103
2	101	103	96	104	111	101
3	99	103	97	103	111	99
4	98	103	95	104	111†	101†
1977 *1*	101	103	96	105	112	108
2						

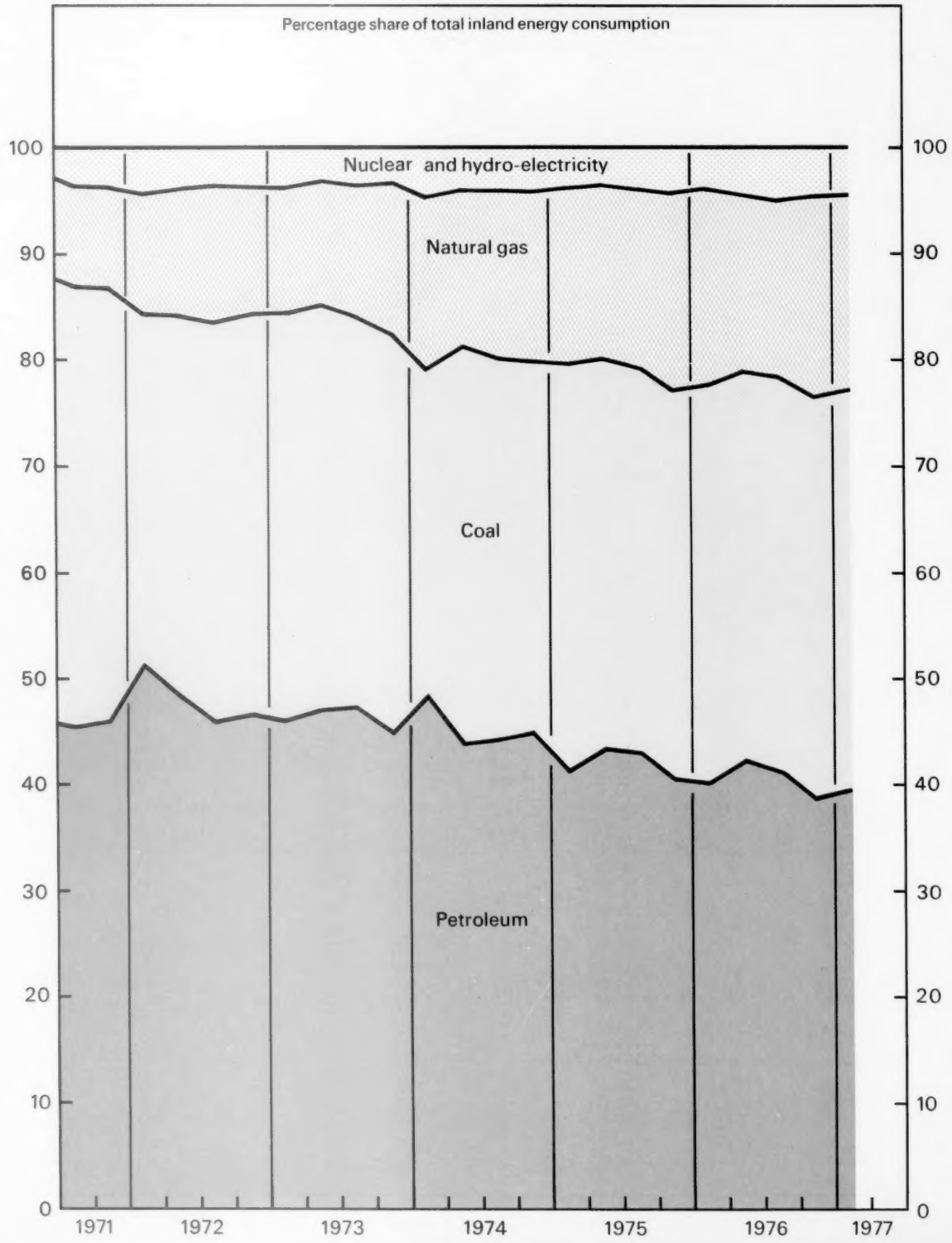

1970 prices, seasonally adjusted
Index of manufacturing production
Ratio of manufacturers' finished goods/production
Volume of retail sales
Ratio of distributors' stocks/retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP (e)
120
115
110
105
100
95
90
85
1971
1972
1973
1974
1975
1976
1977

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input[1]						Public supply	
	Million tons of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal[2]	Petroleum[3]	Natural gas[4,5]	Nuclear electricity[5]	Hydro electricity[5]	Electricity available(GB)[6]	Gas available(GB)[7]
1966	298·0	173·5	113·2	1·2	7·8	2·3	171·9	4·04
1967	298·5	163·7	121·2	2·1	8·9	2·6	177·8	4·37
1968	307·9	164·1	127·1	4·7	10·1	1·9	193·6	4·88
1969	317·9	160·2	136·2	9·2	10·5	1·8	200·5	5·40
1970	331·0	154·3	147·4	17·6	9·3	2·4	211·6	6·30
1971	327·6	137·8	150·0	28·4	9·7	1·7	215·9	8·25
1972	332·1	119·9	159·6	40·3	10·5	1·8	224·1	10·82
1973	348·4	131·0	161·9	43·6	9·9	2·0	241·0	12·04
1974	332·6	115·8	150·7	52·1	11·9	2·1	235·5	13·53
1975	320·9	118·8	134·9	54·5	10·8	1·9	234·2	13·90
1976	325·6	121·0	132·1	57·9	12·7	1·9	236·7	14·37
1971 *3*	321·4	133·2	146·2	30·3	10·4	1·3	217·4	8·52
4	331·3	134·7	152·9	31·6	10·2	1·9	221·8	9·15
1972 *1*	311·9	103·2	160·1	35·4	11·4	1·8	213·4	9·98
2	332·6	119·2	161·1	39·7	10·3	2·3	224·4	10·70
3	336·1	126·0	154·7	43·7	9·7	2·0	226·3	11·18
4	348·0	131·2	162·6	42·5	10·6	1·1	232·2	11·42
1973 *1*	345·8	132·2	160·2	40·8	10·7	1·9	243·2	11·51
2	346·9	132·3	163·2	40·2	9·2	2·0	241·3	11·69
3	351·2	129·1	166·5	43·4	10·0	2·2	241·3	12·19
4	349·5	130·2	157·8	50·0	9·7	1·8	238·3	12·79
1974 *1*	306·9	94·6	148·5	49·7	11·3	2·8	216·3	13·20
2	334·8	124·6	147·2	49·4	12·3	1·3	237·1	13·49
3	346·0	123·8	153·4	54·6	12·2	2·0	244·2	13·66
4	342·9	120·0	153·9	54·6	12·0	2·4	244·3	13·78
1975 *1*	326·2	125·2	134·6	53·6	10·7	2·1	236·2	13·73
2	324·7	119·3	140·8	52·9	10·2	1·5	237·3	13·71
3	318·1	115·1	137·0	53·3	10·6	2·1	234·7	13·97
4	314·7	115·4	127·1	58·4	11·8	2·0	228·5	14·17
1976 *1*	328·4	123·5	131·7	60·5	10·8	1·9	230·9	14·27
2	325·2	118·9	137·3	54·2	12·3	2·5	240·4	14·36
3	323·2	118·6	134·5	54·2	14·4	1·5	244·3	14·41
4	325·5	123·2	124·9	62·6	13·2	1·6	231·4	14·45
1977 *1*	332·7	125·8	131·2	60·7	13·4	1·6	238·2	14·51
2								
	Percentage change, quarter on corresponding quarter of previous year							
1975 *3*	*− 8·1*	*− 7·0*	*−10·7*	*− 2·4*	*−13·1*	*+ 5·0*	*− 3·9*	*+ 2·3*
4	*− 8·2*	*− 3·8*	*−17·4*	*+ 7·0*	*− 1·7*	*−16·7*	*− 6·5*	*+ 2·8*
1976 *1*	*+ 0·7*	*− 1·3*	*− 2·1*	*+12·8*	*+ 1·0*	*− 8·9*	*− 2·2*	*+ 3·9*
2	*+ 0·2*	*− 0·3*	*− 2·5*	*+ 2·4*	*+20·5*	*+62·1*	*+ 1·3*	*+ 4·7*
3	*+ 1·6*	*+ 3·1*	*− 1·8*	*+ 1·7*	*+35·8*	*−30·5*	*+ 4·1*	*+ 3·1*
4	*+ 3·4*	*+ 6·8*	*− 1·8*	*+ 7·3*	*+11·6*	*−20·9*	*+ 1·3*	*+ 2·0*
1977 *1*	*+ 1·3*	*+ 1·9*	*− 0·4*	*+ 0·3*	*+24·6*	*−15·6*	*+ 3·2*	*+ 1·7*
2								

[1] Revised basis. Details of changes are given in the *Digest of United Kingdom Energy Statistics 1976* and in *Energy Trends,* August 1976.
[2] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[3] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[4] Excluding gas flared or reinjected.
[5] Natural gas, nuclear and hydro electricity are not temperature corrected.
[6] The inclusion of Northern Ireland would add about 2% to the total.
[7] The inclusion of Northern Ireland would add about 0·3% to the total.


Percentage share of total inland energy consumption
Nuclear and hydro-electricity
Natural gas
Coal
Petroleum
100
90
80
70
60
50
40
30
20
10
0
1971
1972
1973
1974
1975
1976
1977

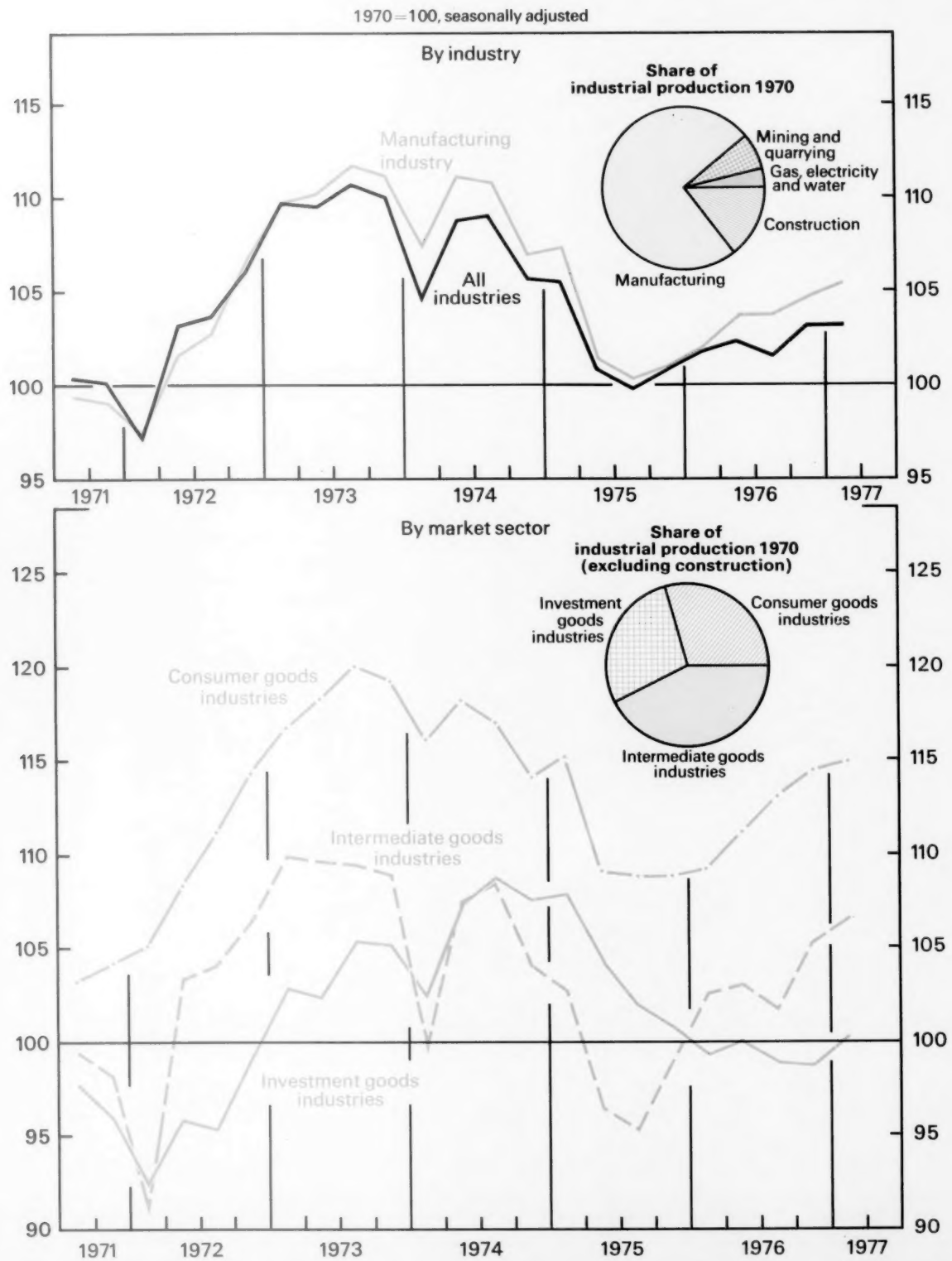
Index of industrial production

Seasonally adjusted

1970=100

		By industry				By market sector[1]		
	All industries covered §	Mining and quarrying	Manufacturing §	Construction[2]	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1970 weights	*1,000*	*37*	*745*	*146*	*72*	*249*	*238*	*363*
1966	90·6	115·3	89·2	96·7	83·0	..	..	..
1967	91·7	114·5	89·8	100·4	86·0	..	..	..
1968	97·2	111·2	96·0	102·7	91·5	95·4	94·7	97·8
1969	99·8	104·0	99·6	102·0	96·0	98·2	100·1	99·9
1970	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1971	100·3	100·0	99·5	103·1	103·9	102·5	98·2†	99·2
1972	102·5	84·1	102·1	104·9	111·4	109·7	95·6	101·1
1973	110·0	92·6	110 7	107·0	118·1	118·6	103·9	109·4
1974	107·0	78·8	109·1	97·9	118·7	116·3	106·4	104 8
1975	101·8†	86·0	102·5	92·6	120·6	110·5†	103·7	98·2
1976	102·3	89·2	103·5†	88·9	123·9	112·0	99·2	103·1
1971 *1*	99·8	104·0	99·2	101·8	100·0	100·9	98·0	99·5
2	101·1	103·7	100·3	103·0	104·3	102·0	101·2	99·7
3	100·3	101·4	99·4	102·3	105·2	103·2	97·6	99·4
4	100·1	90·8	99·0	105·2	106·0	104·1	95·9	98·1
1972 *1*	97·0	46·3	97·1	105·9	103·5	105·0	92·3	90·9
2	103·2	97·1	101·7	106·7	114·8	108·4	95·7	103·3
3	103·7	96·0	102·8	104·2	115·5	111·1	95·3	104·0
4	106·1	97·1	106·7	102·7	111·8	114·4	99·3	106·3
1973 *1*	109·8	99·0	109·8	109·6	116·1	116·7	102·9	109·8
2	109·5	95·5	110·1	106·1	116·8	118·3	102·3	109·6
3	110·7	93·8	111·7	106·7	116·8	120·0	105·4	109·4
4	110·0	82·0	111·1	105·5	122·9	119·3	105·1	108·8
1974 *1*	104·5	53·3	107·3	100·9	109·1	116·0	102·4	99·4
2	108·8	86·1	111·1	99·2	116·2	118·2	107·3	107·4
3	109·0	88·0	110·9	97·5	123·2	117·0	108·8	108·3
4	105·7	87·7	107·0	93·8	126·4	114·0	107·3	103·9
1975 *1*	105·6†	87·3	107·3	92·8	122·5	115·1	107·8	102·7
2	100·8	85·4	101·4	92·6	119·4	109·0†	104·3	96·3
3	99·8	84·4	100·4†	92·6	117·1	108·8	102·0	95·2†
4	100·8	86·8	101·0	92·1	123·5	108·9	100·9	98·8
1976 *1*	101·9	87·6	102·1	92·5	127·3	109·1	99·2	102·5
2	102·4	88·9	103·6	90·0	121·5	111·2	100·0	102·9
3	101·5	86·4	103·6	86·2	118·5	113·1	98·8	101·6
4	103·2	94·0	104·5	86·8	128·5	114·4	98·6	105·3
1977 *1*	103·2	103·1	105·3	80·3	127·7	114·8	100·2†	106·5
2								
1976 *J*	101·2	90	101·9	..	118	109	99	101
F	102·6	87	102·4†	..	134	110†	100	104
M	101·9	86	102·0	..	129	109	99	103
A	102·3	89	103·3	..	123	111	100	103
M	104·4	89	106·4	..	121	113	101	106
J	100·4	88	101·2	..	120	110	99	100
J	101·4	85	103·7	..	117	114	100	100
A	100·7†	87	102·7	..	117	111	98	101
S	102·5	88	104·5	..	122	114	99	104†
O	102·9	91	104·8	..	122	115	99	104
N	103·5	94	104·9	..	128	115	99	105
D	103·3	96	103·7	..	136	114	98	106
1977 *J*	103·4	102†	105·1	..	133	114	99	108
F	103·3	104	105·6	..	126	115	100	107
M	103·0	105	105·3	..	124	115	102	105
A	102·7	106	104·0	..	128	114	100	105
M	104·2	108	105·8	..	128	115	102	107
J								

[1] All industries other than construction.
[2] For an index of construction output for Great Britain, incorporating the latest available information see page 30.


1970=100, seasonally adjusted
By industry
Share of industrial production 1970
Mining and quarrying
Gas, electricity and water
Construction
Manufacturing
Manufacturing industry
All industries
115
110
105
100
95
1971
1972
1973
1974
1975
1976
1977
By market sector
Share of industrial production 1970 (excluding construction)
Investment goods industries
Consumer goods industries
Intermediate goods industries
Consumer goods industries
Intermediate goods industries
Investment goods industries
125
120
115
110
105
100
95
90

Index numbers of output

Seasonally adjusted

1970=100

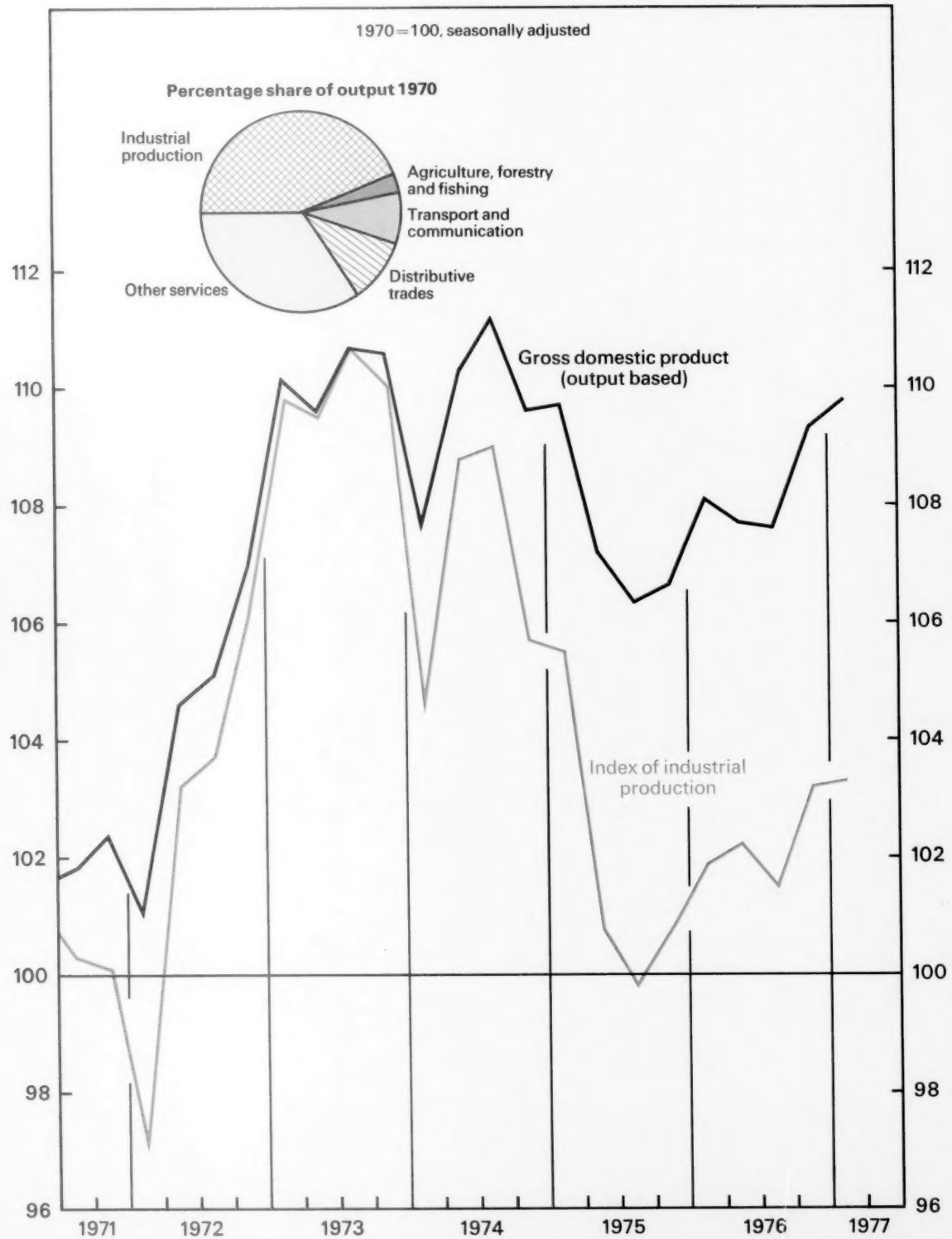
	Gross domestic product (based on output data)[1] §	Agriculture, forestry and fishing	Industrial production[2] §	Transport and communication	Distributive trades	Other services
1970 weights	*1,000*	*30*	*438*	*85*	*104*	*343*
1965	89·3	91	89·1	85	91	90
1966	90·9	91	90·6	88	92	92
1967	92·5	94	91·7	89	94	95
1968	96·3	94	97·2	92	97	96
1969	98·2	95	99·8	96	98	97
1970	100·0	100	100·0	100	100	100
1971	101·5	106	100·3†	101	101	103
1972	104·4†	108	102·5	106	107	106
1973	110·3	111	110·0	114	114	109
1974	109·7	116	107·0	114	113	110
1975	107·4	110	101·7	115	110	112
1976	108·2	102	102·2	116	111	114
1971 *1*	100·2	102	99·8	99	99	101
2	101·5	105	101·1	101	101	102
3	101·8†	108	100·3†	102	102	103
4	102·4	108	100·1	104	103	104
1972 *1*	101·0	109	97·0	103	104	105
2	104·6	108	103·2	105	106	106
3	105·1	108	103·7	106	108	106
4	106·9	108	106·1	109	111	107
1973 *1*	110·2	109	109·8	112	115	109
2	109·6	109	109·5	114	112	108
3	110·7	113	110·7	115	114	109
4	110·6	114	110·0	116	115	109
1974 *1*	107·6	114	104·5	113	113	110
2	110·2	115	108·8	114	110	110
3	111·2	116	109·0	115	114	110
4	109·6	117	105·7	115	114	111
1975 *1*	109·7	115	105·5	116	113	112
2	107·2	112	100·8	115	111	112
3	106·3	109	99·8	115	108	113
4	106·6	106	100·8	113	108	113
1976 *1*	108·1	105	101·9	114	111	114
2	107·7	104	102·4	115	110	113
3	107·6	101	101·5	117†	113	113
4	109·3	97†	103·2	118	112	114†
1977 *1*	109·8[3]	99	103·3	120	110	116
2						

Percentage change, quarter on corresponding quarter of previous year

1974 *3*	*+0·5†*	*+ 2·5*	*−1·5†*	*+ 0·1*	*+0·1*	*+1·5*
4	*−0·9*	*+ 2·5*	*−3·9*	*− 0·7*	*−0·5*	*+1·8*
1975 *1*	*+1·9*	*+ 0·4*	*+1·0*	*+ 2·8*	*+0·5*	*+2·3*
2	*−2·8*	*− 2·2*	*−7·4*	*+ 0·7*	*+0·5*	*+2·0*
3	*−4·5*	*− 5·9*	*−8·4*	*− 0·8*	*−5·6*	*+2·1*
4	*−2·7*	*− 9·6*	*−4·7*	*− 1·7*	*−5·4*	*+1·5*
1976 *1*	*−1·5*	*− 8·9*	*−3·4*	*− 1·9*	*−2·2*	*+1·5*
2	*+0·5*	*− 7·3*	*+1·5*	*+ 0·3*	*−0·9*	*+1·0*
3	*+1·3*	*− 7·4†*	*+1·6*	*+ 1·8†*	*+4·3*	*+0·4*
4	*+2·5*	*− 8·1*	*+2·4*	*+ 4·3*	*+4·1*	*+1·6†*
1977 *1*	*+1·6*	*− 5·0*	*+1·3*	*+ 5·2*	*−0·8*	*+2·0*
2						

[1] As from 1970 the gross domestic product is shown adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. The industrial production index is not adjusted for this effect.

[2] This series may not be fully consistent with that shown on page 26 which includes the latest information.

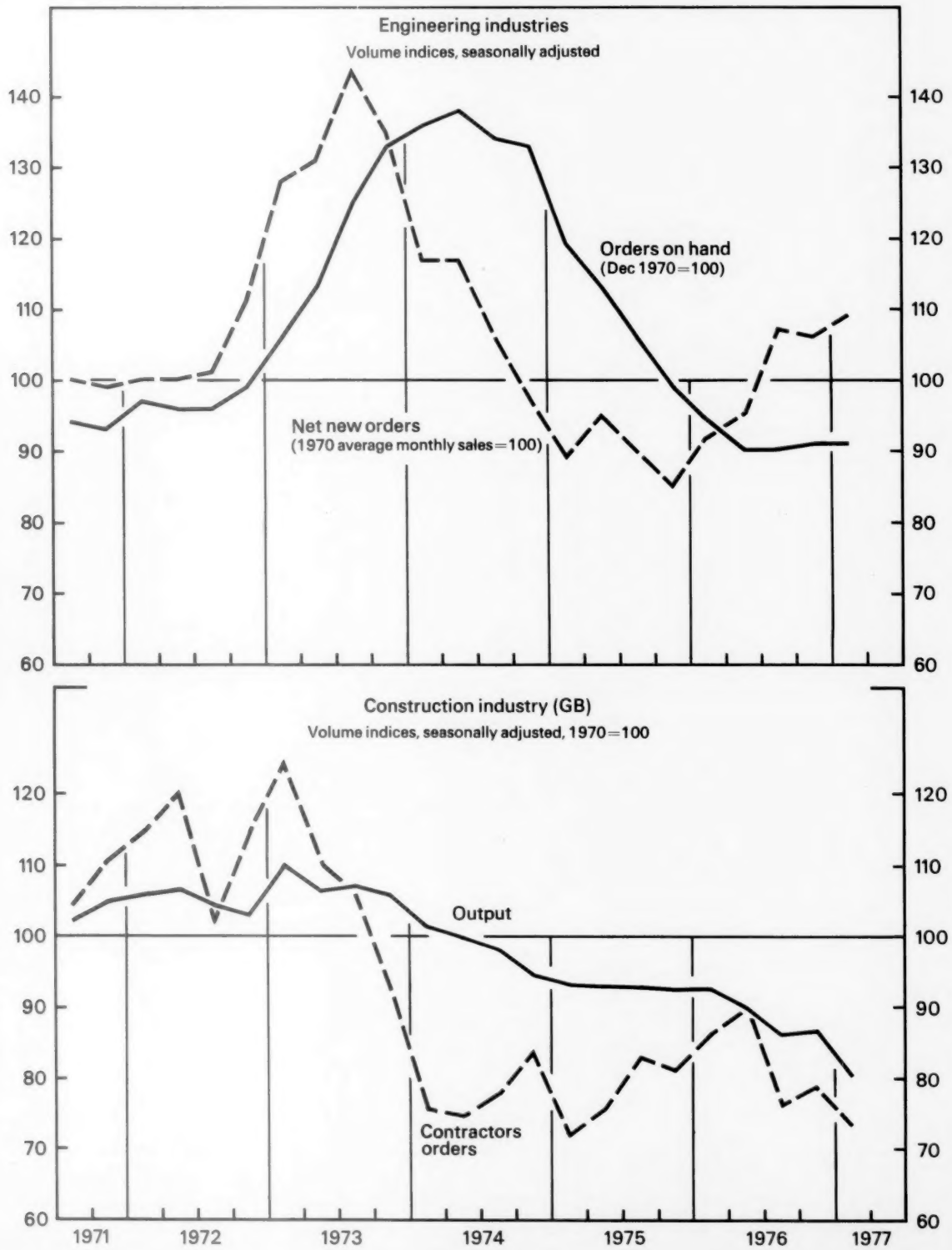

1970=100, seasonally adjusted
Percentage share of output 1970
Industrial production
Agriculture, forestry and fishing
Transport and communication
Distributive trades
Other services
Gross domestic product (output based)
Index of industrial production
112
110
108
106
104
102
100
98
96
1971
1972
1973
1974
1975
1976
1977

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

	Engineering industries[1]							Construction (GB)	
	Total			Home market		Export			
	Sales	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Output[2,6]	Orders received[3,4]
	1970 average monthly sales=100	December 1970=100	1970 average monthly sales=100	December 1970=100	1970 average monthly sales=100	December 1970=100	1970 average monthly sales=100	1970=100	1970=100
1966	..	..	..	..	..	..	..	93·9†	102·4
1967	..	..	..	..	..	..	..	100·3	118·1
1968	..	..	..	..	..	..	..	102·4	108·7
1969	97	101	100	102	99	100	102	101·9	102·6
1970	100	100	99	100	99	100	100	100·0	100·0
1971	101	93	97	95	98	89	93	102·9	106·9
1972	101	99	103	103	108	90	91	105·0	112·9
1973	113	133	134	134	136	131	131	107·3	108·2
1974	111	128	109	123	105	139	118	98·4	77·7†
1975	108	99	90	91	87	113	98	92·7	77·8
1976	105	91	100	78	92	117	119	88·8	82·8
1971 *1*	100	98	95	98	95	99	95	101·7	104·2
2	101	94	92	94	92	94	91	102·8	108·3
3	103	94	100	94	101	92	98	102·1	104·5
4	100	93	99	95	104	89	88	105·0	110·6
1972 *1*	99	97	100	100	106	91	85	106·0	114·6
2	101	96	100	100	104	90	92	106·7	120·2
3	102	96	101	100	108	89	84	104·3	102·0
4	104	99	111	103	114	90	103	103·0	114·9
1973 *1*	112	106	128	111	133	96	116	110·0	124·5
2	112	113	131	118	134	104	122	106·4	110·7
3	113	125	144	128	145	118	141	107·0	106·0
4	114	133	135	134	131	131	144	105·9	91·6
1974 *1*	108	136	117	133	109	142	135	101·4	75·2
2	112	138	117	133	112	148	128	99·9	74·3
3	114	134	106	130	106	144	105	98·2	77·5
4	112	128	97	123	94	139	104	94·3	83·9
1975 *1*	112	119	89	114	89	128	89	93·0	71·6
2	109	113	95	108	92	124	102	92·7	75·5
3	107	106	90	100	86	118	101	92·7	82·9
4	103	99	85	91	80	113	98	92·3	81·0
1976 *1*	103	94	92	88	90	106	96	92·5	86·3
2	106	90	95	83	90	103	107	89·9	89·3
3	106	90	107	81	96	109	133	86·1	76·1
4	105	91	106	78	92	117	141	86·8	78·8
1977 *1*	105†	91†	109†	78	102†	118†	125†	80·2[5]	73·4[5]
2									
1976 *J*	102	96	84	89	84	109	82	..	80·5
F	101	95	95	89	94	108	97	..	86·0
M	106	94	97	88	92	106	109	..	92·5
A	108	92	92	86	89	105	100	..	104·2
M	107	90	94	84	89	103	104	..	85·9
J	102	90	99	83	91	103	118	..	79·2
J	104	90	105	82	84	108	157	..	77·0
A	104	90	103	81	95	109	122	..	80·9
S	109	90	112	81	109	109	119	..	70·4
O	105	91	107	80	91	112	146	..	73·5
N	106	92	113	80	98	116	149	..	85·0
D	105	91	98	78	87	117	126	..	77·9
1977 *J*	105†	90†	108†	77†	100†	116†	128†	..	78·3
F	105	91	112	78	110	116	118	..	64·2
M	106	91	107	78	97	118	130	..	77·8
A	103	91	107	78	100	118	122	..	73·2[5]
M									74·3[5]
J									

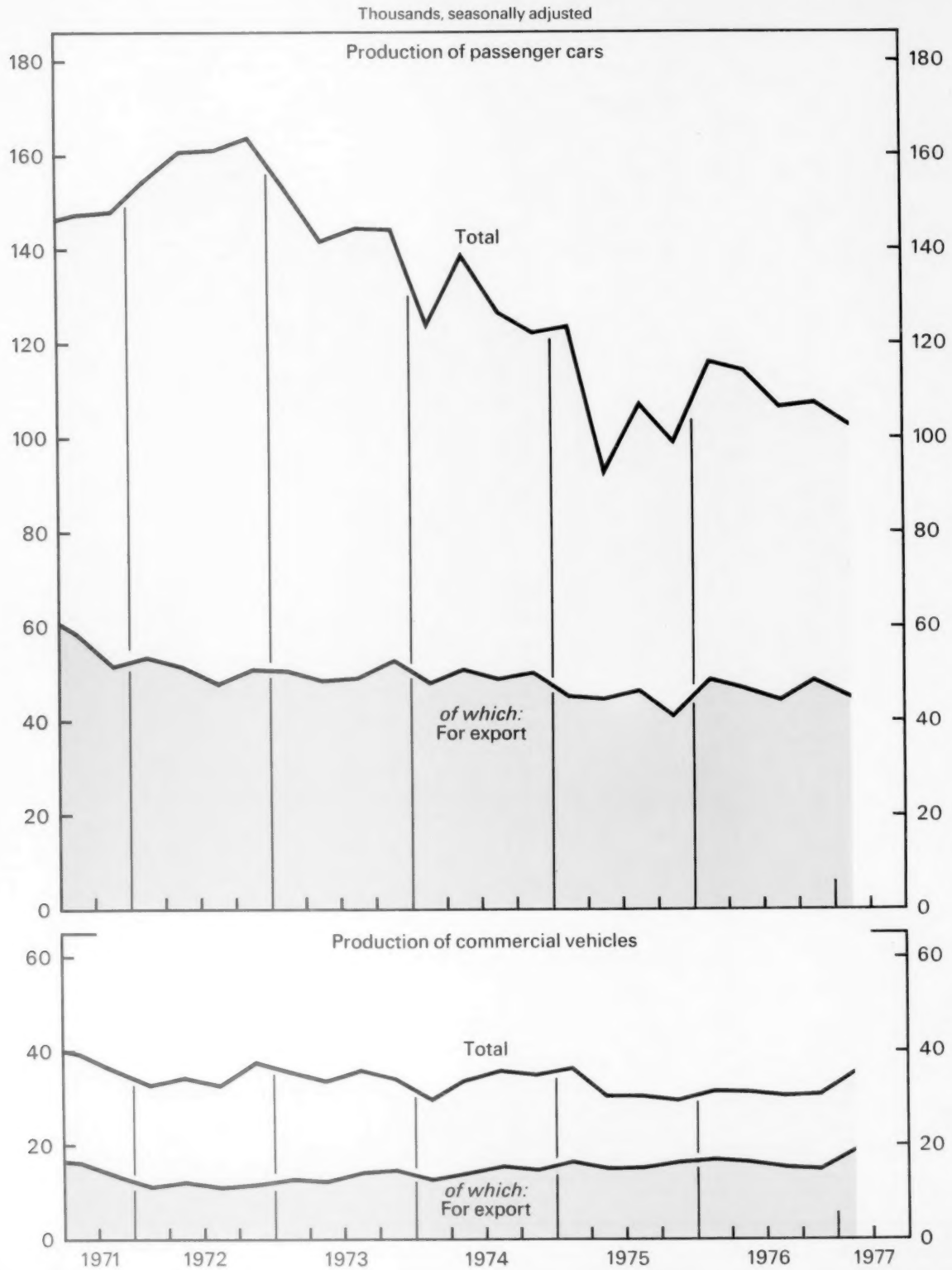
[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[3] New orders from 3rd quarter 1974 include orders received by firms, mostly small, added to the statistical register in that period. An allowance has been made in the index calculation for this small element of discontinuity.
[4] From April 1976 the index has been adjusted to remove the estimated discontinuity caused by revision to estimation methods.
[5] Provisional.


Engineering industries
Volume indices, seasonally adjusted
140
130
120
110
100
90
80
70
60
Orders on hand
(Dec 1970=100)
Net new orders
(1970 average monthly sales=100)
Construction industry (GB)
Volume indices, seasonally adjusted, 1970=100
120
110
100
90
80
70
60
Output
Contractors orders
1971
1972
1973
1974
1975
1976
1977

Motor vehicle production and steel production and consumption

	Seasonally adjusted							
	Thousands[1]						Thousand tonnes	
	Passenger cars§			Commercial vehicles§				
	Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1966	133·6	*− 6·9*	52·1	36·6	*− 3·6*	14·8	24,706	16.466
1967	129·3	*− 3·2*	47·0	32·1	*−12·2*	11·6	24,279	15,840
1968	151·3	*+17·1*	66·9	34·1	*+ 6·3*	12·5	26,277	16,835
1969	143·1	*− 7·2*	68·7	38·8	*+11·7*	16·1	26,846	17,782
1970	136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,780[4]	17,637[4]
1971	145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,174	16,722
1972	160·1	*+10·3*	51·1	34·0	*−10·6*	11·3	25,321	16,750
1973	145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,649	18,445
1974	127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
1975	105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789	15,446[4]
1976	111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,274	
1972 *1*	154·8	*+11·0*	53·7	32·3	*−12·6*	11·0	5,228	3,933
2	160·8	*+10·4*	51·8	34·1	*−15·5*	12·0	6,519	4,043
3	161·0	*+ 9·2*	48·0	32·3	*−17·7*	10·7	6,732	4,275
4	163·8	*+10·7*	51·0	37·5	*+ 5·0*	11·6	6,875	4,499
1973 *1*	152·6	*− 1·4*	50·7	35·5	*+10·1*	12·6	6,671	4,667
2	141·2	*−12·2*	48·4	33·6	*− 1·2*	12·1	6,415	4,368
3	144·4	*−10·3*	49·4	35·8	*+11·1*	14·0	6,954	4,599
4	144·2	*−11·9*	53·2	33·9	*− 9·6*	14·3	6,649	4,811
1974 *1*	123·2	*−19·3*	48·1	29·5	*−17·0*	12·5	5,218	4,357
2	139·5	*− 1·2*	51·1	33·9	*+ 0·8*	14·0	5,784	4,560
3	126·5	*−12·4*	49·2	35·8	*− 0·1*	15·5	5,763	4,252
4	122·1	*−15·3*	50·3	35·0	*+ 3·3*	14·7	5,599	4,379
1975 *1*	123·5	*+ 0·2*	45·4	36·3	*+23·1*	16·2	6,102	4,267
2	92·2	*−33·9*	44·9	30·5	*−10·0*	14·8	4,661	3,695
3	107·7	*−14·9*	46·4	30·5	*−14·9*	15·1	4,231[5]	3,715[5]
4	99·2	*−18·8*	40·7	29·6	*−15·3*	16·1	4,719	3,769
1976 *1*	116·2	*− 5·9*	48·9	31·6	*−12·9*	16·9	5,480	4,076
2	114·4	*+24·0*	46·7	31·4	*+ 2·9*	16·2	5,731	3,887
3	106·4	*− 1·1*	44·1	30·4	*− 0·3*	15·4	5,375	3,785
4	107·4	*+ 8·3*	48·6	30·6	*+ 3·4*	14·7	5,650	4,056
1977 *1*	102·4	*−11·9*	44·9	35·4	*+12·1*	18·8	5,417	3,880
2								
1975 *J*	101·2	*−25·5*	45·1	29·6	*−18·0*	14·7	1,510[6]	..
A	97·4	*−30·8*	46·3	30·1	*−18·5*	15·8	1,332	..
S	124·4	*+21·0*	47·8	31·7	*− 7·8*	14·7	1,714[6]	..
O	92·7	*−21·4*	34·7	30·0	*−10·8*	15·9	1,502	..
N	101·3	*−21·4*	43·2	29·6	*−20·8*	16·2	1,516	..
D	103·6	*−13·4*	44·2	29·3	*−13·8*	16·2	1,701[6]	..
1976 *J*	101·8	*−20·7*	43·9	29·9	*−21·6*	16·8	1,575	..
F	127·1	*− 4·9*	52·7	32·5	*−12·8*	17·1	1,731	..
M	119·8	*+10·5*	50·2	32·5	*− 3·1*	16·9	2,174[6]	..
A	111·3	*− 6·8*	46·5	30·4	*− 8·1*	15·9	1,764	..
M	119·8	*+81·0*	48·0	32·9	*+10·9*	16·8	1,840	..
J	112·1	*+22·9*	45·5	30·9	*+ 7·4*	15·8	2,127[6]	..
J	131·0	*+29·4*	48·8	33·1	*+11·9*	16·0	1,700	..
A	82·4	*−15·4*	39·3	27·3	*− 9·4*	14·4	1,603	..
S	105·9	*−14·8*	44·2	30·7	*− 3·1*	15·7	2,072[6]	..
O	111·5	*+20·2*	47·0	30·9	*+ 3·0*	15·4	1,718	..
N	111·8	*+10·4*	50·9	33·6	*+13·7*	16·0	1,849	..
D	99·0	*− 4·4*	48·0	27·4	*− 6·6*	12·8	2,083[6]	
1977 *J*	119·1	*+16·9*	52·7	37·5	*+25·3*	19·6	1,803	..
F	95·2	*−25·1*	42·3	34·0	*+ 4·7*	18·0	1,631	..
M	92·9	*−22·5*	39·7	34·9	*+ 7·5*	18·8	1,983	..
A	125·5	*+12·8*	49·8	31·0	*+ 1·8*	16·7	1,453†	..
M	123·6	*+ 3·2*	49·1	35·4	*+ 7·5*	17·1	1,530	..
J								

[1] Monthly averages or standardised calendar months.
[2] From January 1974 the totals are for 'useable steel' in accordance with the system used by EEC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.


Thousands, seasonally adjusted
Production of passenger cars
Total
of which:
For export
Production of commercial vehicles
Total
of which:
For export
180
160
140
120
100
80
60
40
20
0
1971
1972
1973
1974
1975
1976
1977

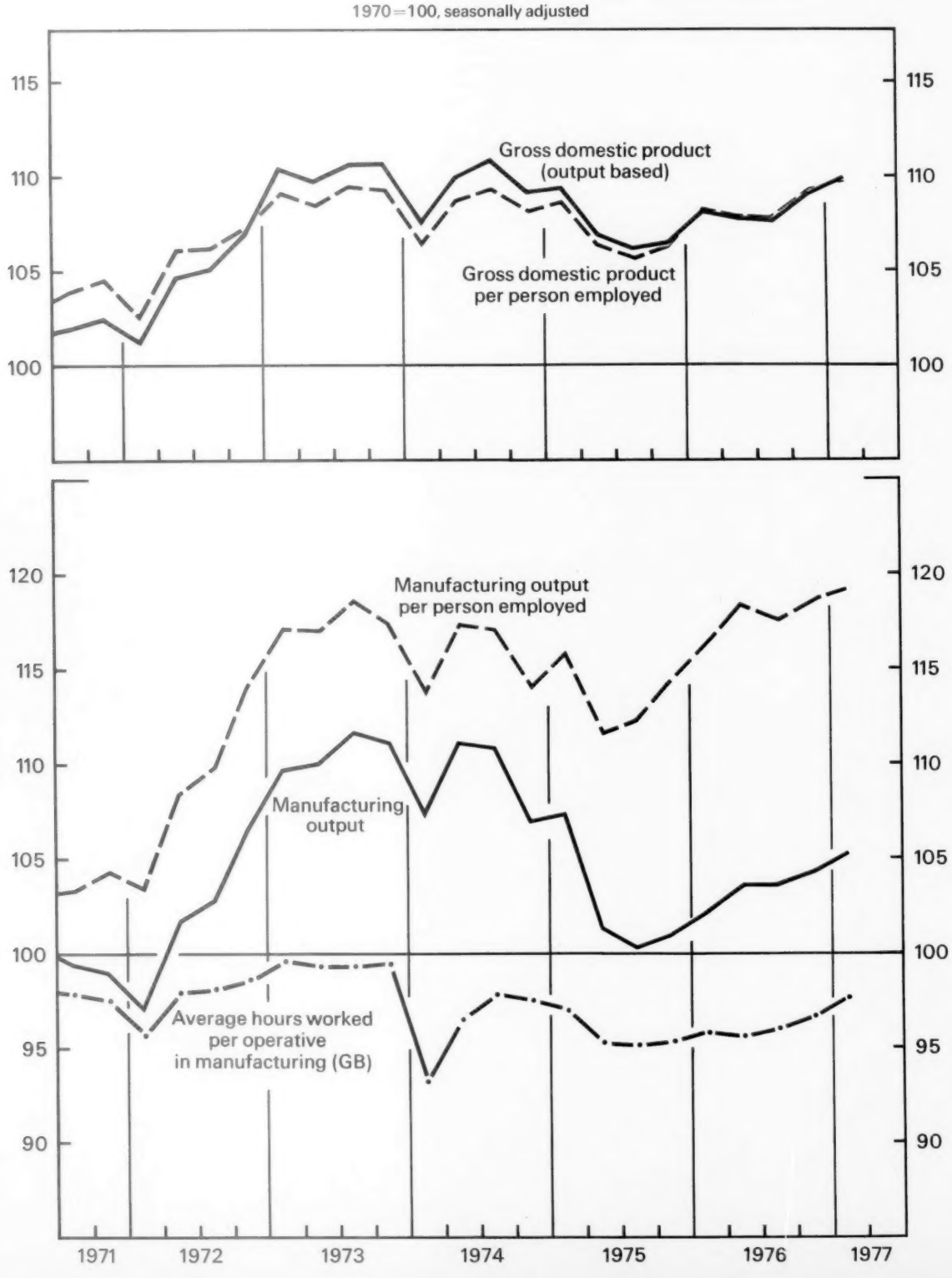
Output per person employed

Seasonally adjusted

1970=100

	Total employed labour force	Employment		Output per person employed[1]		
		Index of production industries	Manufacturing industries	Whole economy	Index of production industries	Manufacturing industries
1966	102·2	105·6	102·6	89·0	85·8	86·9
1967	100·9	102·8	99·8	91·6	89·2	90·0
1968	100·4	101·4	99·0	95·9	95·9	97·0
1969	100·4	101·5	100·3	97·8	98·3	99·3
1970	100·0	100·0	100·0	100·0	100·0	100·0
1971	98·3	96·9	96·8	103·3	103·5†	102·8†
1972	99·0	94·6	93·7	105·5†	108·4	109·0
1973	101·0	95·8	94·2	109·2	114·8	117·7
1974	101·3	95·6	94·4	108·3	111·9	115·6
1975	100·7[2]	92·3[2]	90·3[2]	106·7	110·2	113·5
1976	99·9	89·9	87·8	108·3	113·7	117·8
1970 *3*	99·9	99·8	99·9	100·6	100·6	100·2
4	99·7	99·2	99·4	100·8†	101·1	101·2†
1971 *1*	98·6	98·7	98·9	101·6	101·1	100·3
2	98·6	97·3	97·3	102·9	103·9	103·1
3	97·9	96·3	96·2	104·0	104·2†	103·3
4	97·9	95·3	94·9	104·6	105·0	104·3
1972 *1*	98·5	94·6	94·0	102·5	102·5	103·3
2	98·6	94·5	93·7	106·1	109·2	108·5
3	99·0	94·5	93·6	106·2	109·7	109·8
4	99·7	94·7	93·4	107·2	112·0	114·2
1973 *1*	100·9	95·4	93·8	109·2	115·1	117·1
2	101·0	95·7	94·1	108·5	114·4	117·0
3	101·1	95·9	94·2	109·5	115·4	118·6
4	101·2	96·0	94·6	109·3	114·6	117·4
1974 *1*	101·0	95·8	94·4	106·5	109·1	113·7
2	101·3	95·7	94·6	108·8	113·7	117·4
3	101·6	95·7	94·6	109·4	113·9	117·2
4	101·4	95·0	93·9	108·1	111·3	114·0
1975 *1*	100·9	94·0	92·6	108·7	112·2	115·9
2	100·8	92·8	90·8	106·3	108·6	111·7
3[2]	100·6	91·5	89·3	105·7	109·1	112·3
4	100·3	90·7	88·3	106·3	111·1	114·4
1976 *1*	99·9	90·1	87·7	108·2	113·1	116·3
2	99·9	89·9	87·6	107·8	113·9	118·3
3	99·9	89·9	87·9	107·7	112·9	117·7
4	100·0	89·7	88·1	109·3	115·1	118·6
1977 *1*	100·1	89·9	88·5	109·7	114·9	119·1
2						
	Percentage change, quarter on corresponding quarter of previous year					
1974 *3*	*+0·6*	*−0·2*	*+0·4*	*−0·1†*	*−1·3†*	*−1·2†*
4	*+0·3*	*−1·0*	*−0·7*	*−1·1*	*−2·9*	*−2·9*
1975 *1*	*−0·1*	*−1·9*	*−1·9*	*+2·1*	*+2·8*	*+1·9*
2	*−0·5*	*−3·0*	*−4·0*	*−2·3*	*−4·5*	*−4·9*
3	*−1·0*	*−4·4*	*−5·6*	*−3·4*	*−4·2*	*−4·2*
4	*−1·1*	*−4·5*	*−6·0*	*−1·7*	*+0·2*	*+0·4*
1976 *1*	*−1·0*	*−4·1*	*−5·3*	*−0·5*	*+0·8*	*+0·3*
2	*−0·9*	*−3·1*	*−3·5*	*+1·4*	*+4·9*	*+5·9*
3	*−0·7*	*−1·7*	*−1·6*	*+1·9*	*+3·5*	*+4·8*
4	*−0·3*	*−1·1*	*−0·2*	*+2·8*	*+3·6*	*+3·7*
1977 *1*	*+0·2*	*−0·2*	*+0·9*	*+1·4*	*+1·6*	*+2·4*
2						

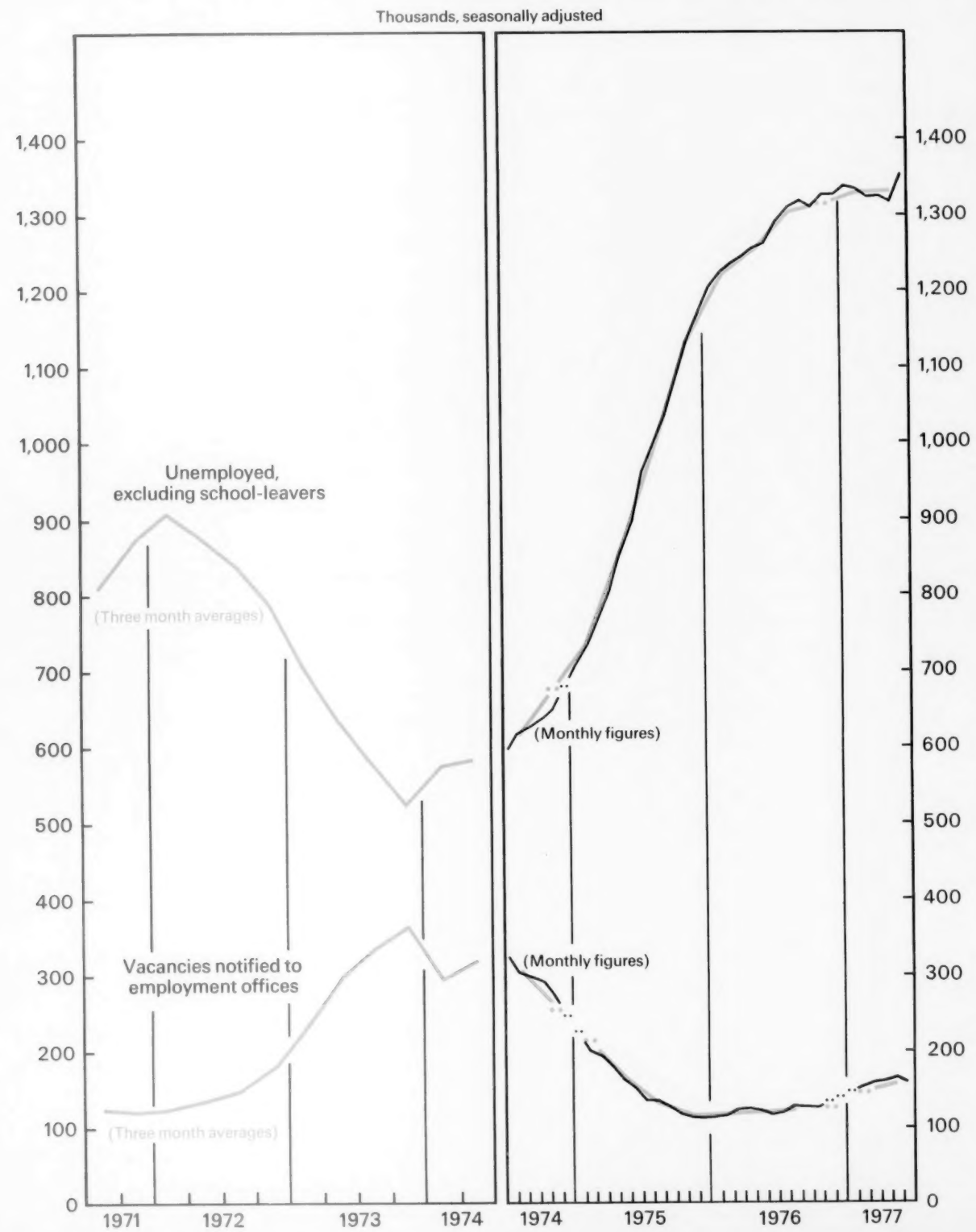
[1] The ratios do not take into account part-time working or hours of work.
[2] Figures after June 1975 are provisional.


1970=100, seasonally adjusted
115
110
105
100
Gross domestic product
(output based)
Gross domestic product
per person employed
120
115
110
105
100
95
90
Manufacturing output
per person employed
Manufacturing
output
Average hours worked
per operative
in manufacturing (GB)
1971
1972
1973
1974
1975
1976
1977

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1970=100		Thousands
	Working population[2]	Employed labour force[2]	Employees in employment[2,3]	Thousands	Percentage of employees[4]	Vacancies notified to employment offices§	Employees in employment[2,3]	Average hours worked per operative	Total unemployed including school leavers
1966	25,667	25,338	23,240	353·3	*1·5*	256·7	103·1	100·8	361·0
1967	25,526	24,980	22,801	547·2	*2·3*	175·1	99·9	100·1	556·7
1968	25,412	24,826	22,640	574·4	*2·4*	189·5	99·0	100·9	583·3
1969	25,406	24,841	22,608	566·3	*2·4*	202·0	100·3	101·0	576·2
1970	25,336	24,732	22,458	602·0	*2·6*	188·3	100·2	100·0	612·2
1971	25,166	24,390	22,113	775·8	*3·4*	130·9	96·8	98·1	792·1
1972	25,243	24,384	22,114	854·9	*3·7*	147·3	93·4	97·6	875·6
1973	25,600	24,969	22,661	611·0	*2·6*	307·0	94·1	99·4	618·8
1974	25,659	25,062†	22,792†	599·7[5]	*2·6*[5]	301·6[5]	94·5	96·7	614·9[5]
1975	25,851†	24,933	22,711	929·0	*3·9*	147·9[5]	89·9	95·7	977·6
1976	26,096	24,714	22,492	1,269·8[5]	*5·4*[5]	120·3[6]	87·6	96·0	1,358·8[5]
1972 *1*	25,295	24,371	22,098	910·1	*4·0*	126·1	93·5	95·6	968·9
2	25,243	24,384	22,114	879·0	*3·8*	135·2	93·4	98·0	877·5
3	25,347	24,495	22,210	841·0	*3·7*	149·2	93·3	98·2	851·7
4	25,434	24,657	22,362	789·4	*3·4*	178·5	93·2	98·6	804·4
1973 *1*	25,640†	24,959†	22,657†	705·6	*3·0*	233·5	93·9	99·6	758·9
2	25,600	24,969	22,661	634·7	*2·7*	296·5	94·1	99·3	625·7
3	25,538	25,003	22,703	578·8	*2·5*	336·0	94·0	99·3	568·5
4	25,540	25,030	22,739	524·7	*2·3*	360·7	94·7	99·5	521·9
1974 *1*	25,576	24,984	22,704	574·5	*2·5*	292·6	94·2	93·1	624·9
2	25,659	25,062	22,792	581·6	*2·5*	317·9	94·5	98·5	570·2
3	25,757	25,139	22,877	613·0	*2·6*	308·2	94·4	97·8	628·3
4	..[7]	25,077	22,829	..[7]	..[7]	..[7]	93·4	97·5	..[7]
1975 *1*	25,749	24,965	22,732	735·3	*3·1*	..[7]	91·9	97·0	788·7
2	25,851	24,933	22,711	852·7	*3·6*	164·1	89·9	95·2	853·8
3	25,979[8]	24,874	22,648[8]	998·2	*4·2*	132·8	88·8[8]	95·1	1,095·5
4	26,010	24,808	25,583	1,131·1	*4·8*	113·5	87·8	95·3	1,172·3
1976 *1*	25,994	24,721	22,498	1,220·3	*5·2*	116·7	87·4	95·8	1,297·5
2	26,096	24,714	22,492	1,252·1	*5·3*	119·4	87·6	95·6	1,294·9
3	26,117	24,704	22,480	1,305·5	*5·5*	123·6	87·8	96·0	1,473·7
4	26,112	24,738	22,518	..[9]	..[9]	..[9]	87·9	96·6	..[9]
1977 *1*	26,136	24,762	22,546	1,330·2	*5·6*	..[9]	88·5	97·7	1,417·8
2				1,330·5	*5·6*	159·2			1,394·7
1976 *A*	..	..	..	1,241·8	*5·3*	122·5	87·3	95·6	1,281·1
M	..	..	..	1,253·3	*5·3*	120·0	87·3	95·7	1,271·8
J	..	..	..	1,261·1	*5·3*	115·7	87·6	95·6	1,331·8
J	..	..	..	1,288·9	*5·5*	118·6	87·8	95·8	1,463·5
A	..	..	..	1,308·8	*5·6*	126·2	87·6	96·1	1,502·0
S	..	..	..	1,318·7	*5·6*	125·9	87·8	96·0	1,455·7
O	..	..	..	1,307·9	*5·5*	124·5	88·0	96·4	1,377·1
N	..	..	..	..[9]	..[9]	..[9]	87·9	96·3	..[9]
D	..	..	..	1,325·7[10]	*5·6*[10]	..[9]	87·9	97·0	1,371·0[10]
1977 *J*	..	..	..	1,338·2	*5·7*	..[9]	88·1	97·5	1,448·2
F	..	..	..	1,331·4	*5·6*	150·5	88·3	98·0	1,421·8
M	..	..	..	1,321·1	*5·6*	157·3	88·5	97·6	1,383·5
A	..	..	..	1,322·6	*5·6*	158·5	88·6	96·7	1,392·3
M	..	..	..	1,315·9	*5·6*	161·2	88·7		1,341·7
J				1,352·9	*5·7*	157·8			1,450·1

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.
[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and H.M. Forces as well as employees in employment.
[3] From 1971, the employees in employment estimates are based on annual census of employment. For the years before 1971 estimates are taken from the continuous employment series published in the October 1975 issue of the *Department of Employment Gazette*. Annual estimates relate the mid-year. From June 1975 the employee in employment figures for the UK which are provisional until the publication of the results of the Census of Employment for June 1976, include a constant component for Northern Ireland.
[4] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): the latest figure available is that for mid-1975.
[5] The figures shown are averages of eleven months figures.
[6] The figures shown are averages of ten months figures.
[7] Figure not available due to industrial action. For further details see note to page 129 of the *Department of Employment Gazette*, February 1975
[8] Estimates after June 1975 are provisional.
[9] Because of industrial action by some staff in the Department of Employment group, figures for these months are not available
[10] Estimates


Thousands, seasonally adjusted
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
Unemployed, excluding school-leavers
(Three month averages)
(Monthly figures)
Vacancies notified to employment offices
(Three month averages)
(Monthly figures)
1971
1972
1973
1974
1974
1975
1976
1977

Regional unemployment rates[1]

Seasonally adjusted

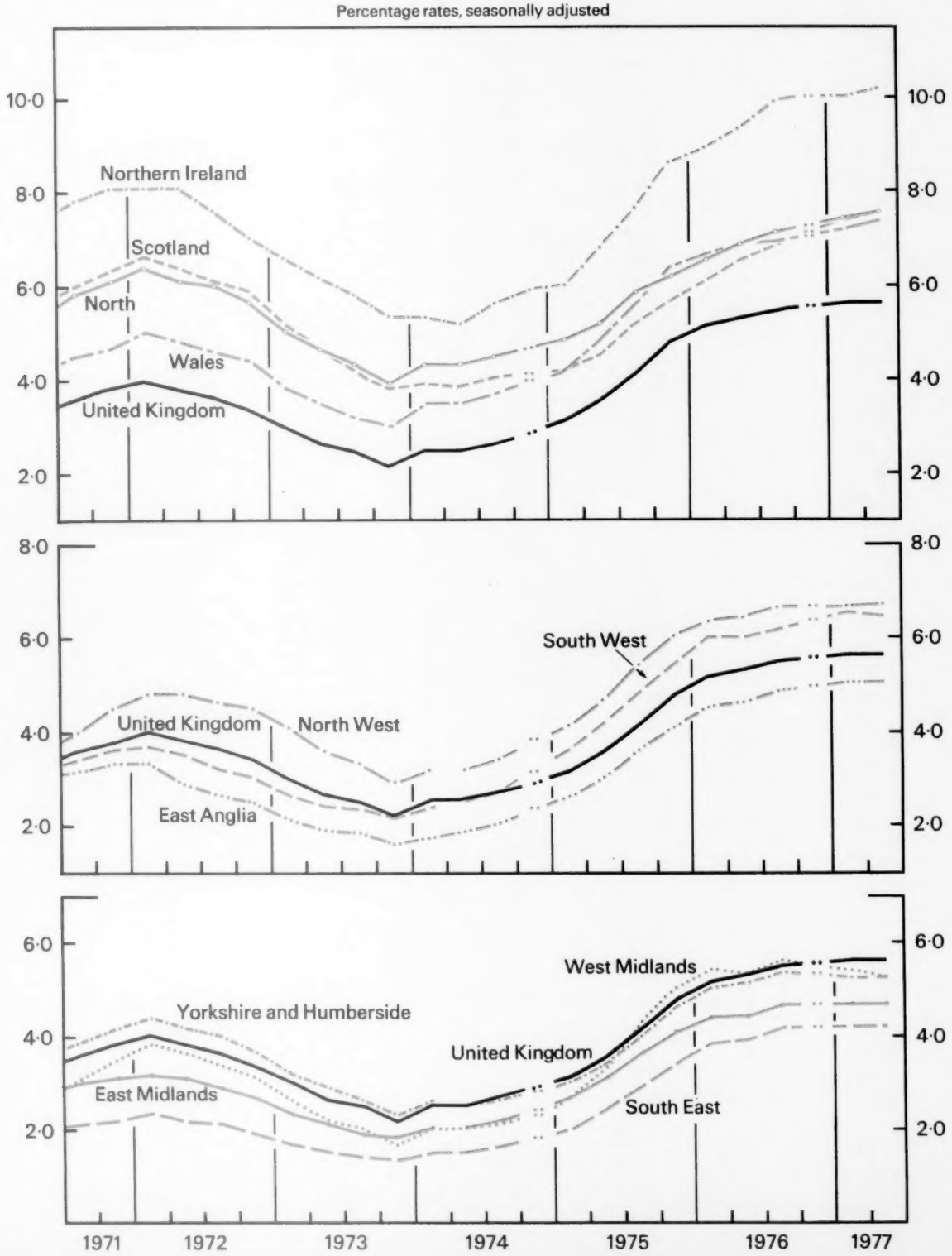
Per cent

	North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1971 *3*	5·8	3·9	3·0	3·2	2·1	3·4	3·1
4	6·1	4·2	3·1	3·3	2·2	3·6	3·5
1972 *1*	6·4	4·4	3·2	3·3	2·3	3·7	3·8
2	6·1	4·2	3·1	2·9	2·2	3·5	3·7
3	6·0	4·0	2·9	2·7	2·1	3·2	3·4
4	5·7	3·7	2·7	2·5	1·9	3·0	3·1
1973 *1*	5·0	3·2	2·3	2·1	1·7	2·6	2·6
2	4·7	2·9	2·1	1·9	1·5	2·4	2·2
3	4·3	2·6	1·9	1·8	1·4	2·3	2·0
4	3·9	2·3	1·8	1·6	1·3	2·1	1·7
1974 *1*	4·3	2·6	2·0	1·7	1·5	2·3	2·0
2	4·3	2·5	2·0	1·8	1·5	2·5	2·0
3	4·5	2·6	2·2	2·0	1·6	2·7	2·1
4	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]
1975 *1*	4·8	3·0	2·7	2·6	2·0	3·6	2·7
2	5·2	3·4	3·1	3·0	2·4	4·2	3·4
3	5·8	4·0	3·7	3·6	2·9	4·8	4·3
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·5	5·0	4·4	4·5	3·8	6·0	5·4
2	6·8	5·1	4·4	4·6	3·9	6·0	5·3
3	7·1	5·3	4·7	4·8	4·2	6·2	5·6
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1977 *1*	7·4	5·2	4·7	5·0	4·2	6·5	5·3
2	7·5	5·2	4·7	5·0	4·2	6·4	5·2

	North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1971 *3*	4·0	4·5	6·0	3·5	7·8	3·6
4	4·5	4·7	6·3	3·7	8·1	3·8
1972 *1*	4·8	5·0	6·6	3·9	8·1	4·0
2	4·8	4·8	6·4	3·7	8·1	3·8
3	4·7	4·6	6·1	3·6	7·6	3·7
4	4·5	4·4	5·9	3·4	7·0	3·4
1973 *1*	4·1	3·8	5·2	3·0	6·6	3·0
2	3·6	3·5	4·7	2·7	6·2	2·7
3	3·3	3·2	4·2	2·4	5·7	2·5
4	2·9	3·0	3·8	2·2	5·3	2·3
1974 *1*	3·2	3·5	3·9	2·4	5·3	2·5
2	3·2	3·5	3·8	2·4	5·2	2·5
3	3·4	3·7	3·9	2·6	5·6	2·6
4	..[3]	..[3]	..[3]	..[3]	5·9	..[3]
1975 *1*	4·1	4·2	4·2	3·1	6·0	3·1
2	4·7	4·8	4·5	3·5	6·8	3·6
3	5·4	5·6	5·2	4·2	7·7	4·2
4	6·0	6·4	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·7	6·1	5·1	8·9	5·2
2	6·4	6·8	6·5	5·2	9·3	5·3
3	6·6	6·9	6·8	5·4	9·9	5·5
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1977 *1*	6·6	7·2	7·4	5·5	10·0	5·6
2	6·7	7·3	7·5	5·5	10·2	5·6

[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figure available is that for mid-1975.
[2] The boundaries of the standard regions were revised in April 1974.
[3] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.
[4] Because of industrial action by some staff in the Department of Employment group, figures are not available.

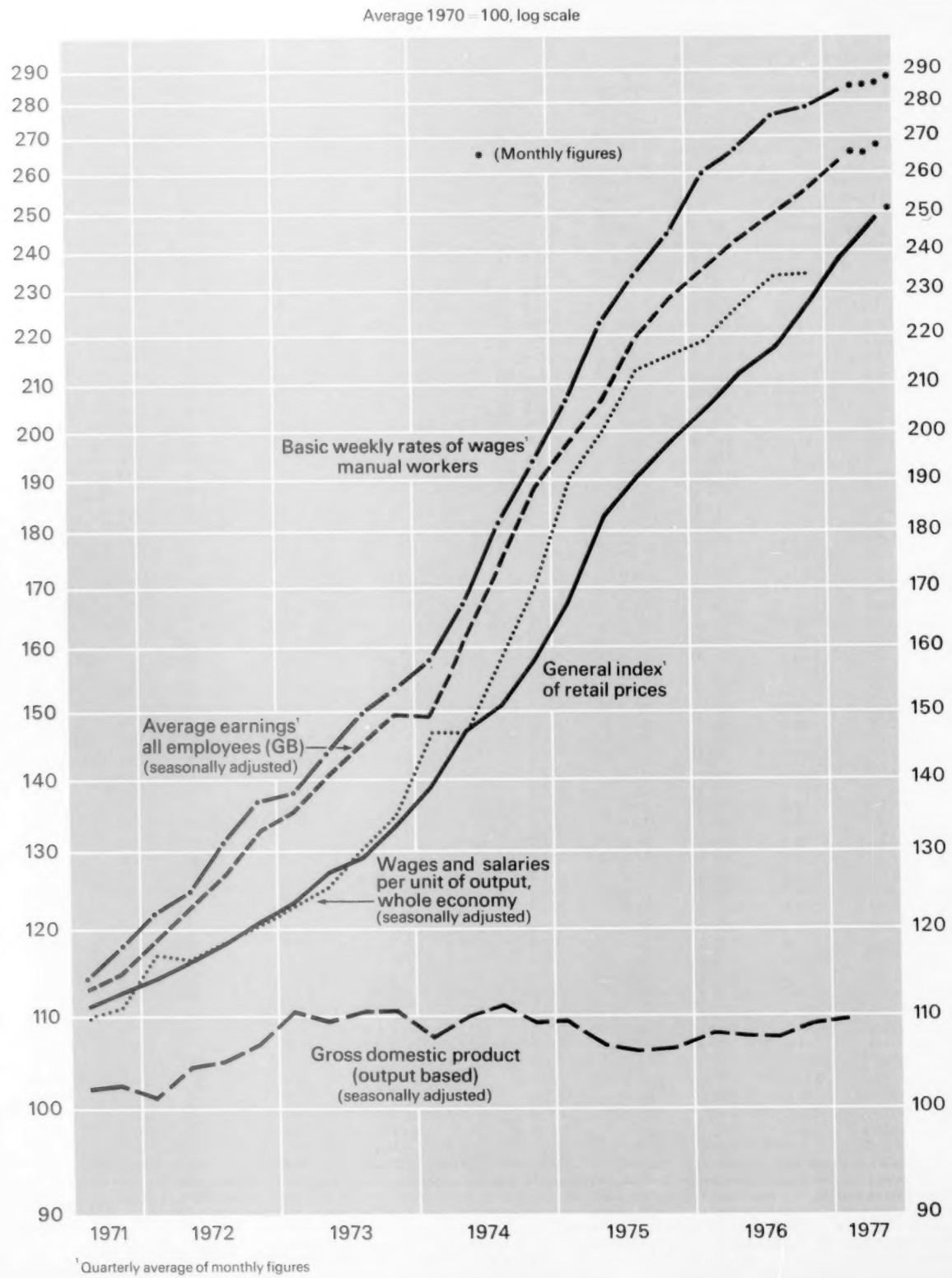
Percentage rates, seasonally adjusted



Wage rates and earnings

	Unadjusted		Seasonally adjusted					
	31 July 1972=100[1]		January 1970=100				1970=100	
	Basic weekly wage rates (manual workers)		Average earnings (GB) (wages and salaries combined)				Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	All industries and services covered§	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1966	61·5	61·2	79·0	*6·6*	78·3	*6·2*	84·2†	82·9
1967	63·9	63·6	81·8	*3·6*	81·1	*3·6*	85·6	82·9
1968	68·1	68·4	88·2	*7·8*	87·8	*8·2*	87·6	83·1
1969	71·7	72·1	95·2	*7·8*	94·9	*8·1*	91·3	88·4
1970	78·8	79·4	106·7	*12·1*	107·0	*12·7*	100·0	100·0
1971	89·0	89·3	118·7	*11·3*	118·9	*11·2*	108·7	108·5
1972	101·3	101·5	134·1[2]	.. [3]	134·2[2]	.. [3]	117·9	112·7†
1973	115·2	114·6	152·1	.. [3]	151·5	.. [3]	128·2	123·1
1974	138·0	134·3	179·1	*17·8*	177·5	*17·1*	155·1	149·0
1975	178·7	174·4	226·6	*26·6*	223·9	*26·2*	204·5†	197·6
1976	213·2	209·0	261·9	*15·6*	260·8	*16·5*	227·3	
1971 *3*	89·8	90·0	120·4	*11·1*	120·4	*10·6*	109·7	109·2†
4	92·8	92·1	122·5	*9·5*	122·8	*9·1*	110·8	109·6
1972 *1*	96·0	95·5	126·4[3]	.. [3]	126·8[3]	.. [3]	116·9	.. [3]
2	98·1	98·2	130·7	*11·6*	131·4	*11·9*	116·1	111·6†
3	103·4	104·6	134·9	*12·1*	135·7	*12·7*	118·3	113·8
4	107·9	107·6	141·5	*15·5*	140·5	*14·4*	120·4	114·7
1973 *1*	108·7	108·1	144·4	.. [3]	143·7	.. [3]	122·9	116·3
2	113·4	111·7	150·2	*14·9*	149·6	*13·8*	125·3	121·6
3	118·1	117·8	154·5	*14·5*	153·6	*13·2*	130·2	124·6
4	120·6	120·7	159·2	*12·5*	159·1	*13·3*	134·5	130·0
1974 *1*	124·3	122·7	157·8[4]	*9·2*[4]	157·4[4]	*9·5*[4]	146·9	133·2
2	131·7	128·0	172·5	*14·9*	171·2	*14·5*	146·8	141·4
3	143·2	139·4	185·1	*19·8*	183·9	*19·7*	157·0	152·7
4	152·7	147·1	199·5	*25·3*	197·4	*24·1*	169·5	169·0
1975 *1*	162·7	155·1	209·6	*32·9*	207·5	*31·8*	190·1†	179·1
2	175·3	171·9	220·1	*27·6*	216·9	*26·7*	200·0	194·6
3	184·3	180·5	234·0	*26·4*	230·6	*25·4*	212·5	206·1
4	192·6	190·1	242·8	*21·7*	240·6	*21·9*	215·6	210·9
1976 *1*	204·2	201·5	250·9	*19·7*	249·1	*20·1*	217·4	214·7
2	211·5	209·0	258·6	*17·5*	258·6	*19·2*	226·2	218·1
3	217·8	212·5	265·5	*13·5*	264·4	*14·7*	232·7	224·4
4	219·3	213·1	272·7	*12·3*	271·4	*12·8*	233·0	227·2
1977 *1*	223·3	215·6	280·2[5]	*11·7*[5]	278·5[5]	*17·8*[5]	241·7	233·0
2	225·7	217·6						
1976 *J*	200·9	197·7	248·3	*20·6*	246·2	*20·8*	..	214·4†
F	205·1	203·1	250·0	*19·0*	248·1	*19·5*	..	214·4
M	206·7	203·8	254·4	*19·4*	252·8	*19·9*	..	215·2
A	208·8	206·8	255·0	*18·0*	254·5	*19·5*	..	215·3
M	210·5	209·1	259·6	*17·5*	259·7	*19·3*	..	218·4
J	215·3	211·2	261·2	*17·0*	261·6	*18·8*	..	220·5
J	217·7	212·3	263·1	*13·9*	262·2	*15·2*	..	224·9
A	217·8	212·5	267·2	*14·2*	265·5	*14·9*	..	223·6
S	217·9	212·7	266·1	*12·2*	265·6	*13·9*	..	224·6
O	218·2	212·7	269·0	*12·4*	268·4	*13·3*	..	224·2
N	219·4	213·3	272·2	*12·9*	269·4	*12·8*	..	227·7
D	220·2	213·3	277·1	*11·7*	276·3	*12·2*	..	229·7
1977 *J*	222·5	215·4	278·1	*12·0*	276·5	*12·3*	..	231·7
F	223·5	215·6	278·7	*11·2*	277·4	*11·8*	..	232·4
M	223·9	215·9	283·9	*11·6*	281·8	*11·5*	..	234·9
A	224·6	216·7	283·1†	*11·0*†	282·8†	*11·1*†	..	
M	225·4	217·7	286·3[5]	*10·3*[5]	285·6[5]	*10·0*[5]	..	
J	227·1	218·3						

[1] Prior to July 1972 the series was based on 31 January 1956=100. Figures before July 1972 have therefore been linked.
[2] Average of 11 months. See footnote[3].
[3] In the absence of earnings data for February 1972 due to the effects of the coalmining dispute, no index of wages and salaries per unit of output or index of average earnings has been calculated for that month. The indices calculated for January and March 1972 are less reliable than usual.
[4] The figures reflect temporary reductions in earnings while three-day working and other restrictions were in operation.
[5] Provisional.



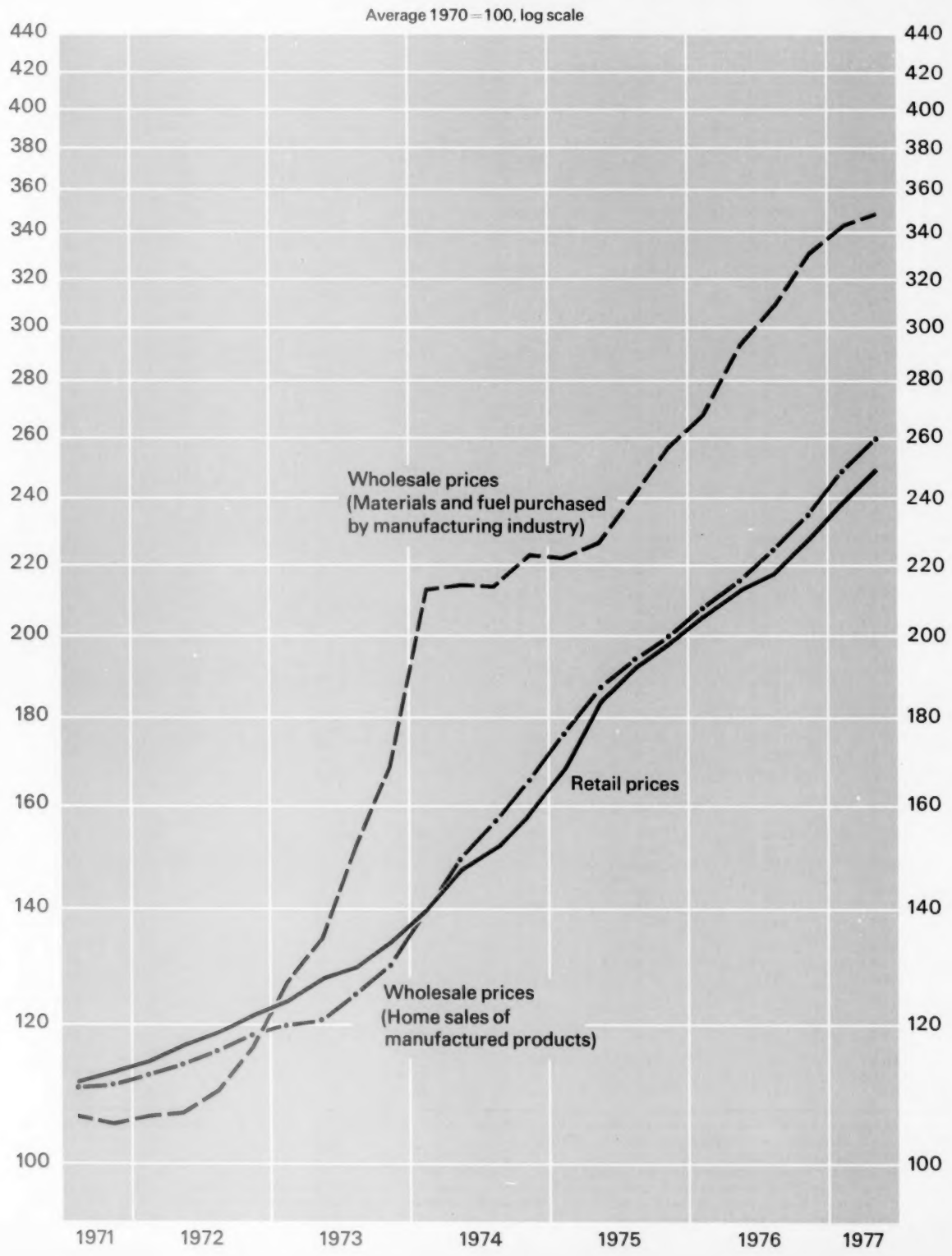
[1] Quarterly average of monthly figures

Prices

Unadjusted

	Average 1970=100										Average 1970=100p
	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
	Materials and fuel purchased by manufacturing industry[2]	Output of all manufactured products	All items				All items other than seasonal food				
		Home sales[3]	Index	*Percentage increase on year earlier*	Total food	Total non-food	Index	*Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1966	84·2	85·6	83·1	*3·9*	82·5	83·3	83·2	*3·7*	83·0	83·0	120½
1967	83·8	86·5	85·2	*2·5*	84·6	85·4	85·2	*2·4*	84·9	85·0	117½
1968	91·5	89·9	89·2	*4·7*	87·9	89·6	89·3	*4·8*	88·8	88·8	112
1969	95·0	93·4	94·0	*5·4*	93·5	94·2	93·9	*5·2*	93·5	93·7	106½
1970	100·0	100·0	100·0	*6·4*	100·0	100·0	100·0	*6·5*	100·0	100·0	100
1971	104·6	109·0	109·4	*9·4*	111·1	108·9	109·5	*9·5*	110·1	109·9	91½
1972	109·2	114·8	117·2	*7·1*	120·9	116·0	117·0	*6·9*	118·5	118·0	85½
1973	144·5	123·2	128·0	*9·2*	139·1	124·4	126·7	*8·3*	130·0	130·1	78
1974	215·3	152·0	148·5	*16·1*	164·2	143·4	147·0	*16·0*	150·9	151·1	67½
1975	235·4	188·7	184·4	*24·2*	206·1	177·5	182·6	*24·2*	189·8	189·4	54
1976	299·0	219·6	215·0	*16·5*	247·4	205·1	211·4	*15·8*	226·2	225·0	46½
1971 *1*	103·0	106·3	105·5	*8·6*	105·6	105·4	105·6	*8·8*	105·9	105·8	95
2	104·9	108·7	109·3	*9·8*	111·5	108·6	109·0	*10·2*	109·4	109·3	91½
3	105·6	110·3	110·8	*10·1*	112·8	110·1	110·9	*10·0*	111·6	111·3	90
4	104·8	110·8	112·2	*9·2*	114·4	111·5	112·3	*8·9*	113·6	113·0	89
1972 *1*	105·6	112·1	113·9	*8·0*	117·8	112·6	113·9	*7·9*	115·9	115·3	88
2	106·1	113·5	116·0	*6·2*	119·0	115·0	115·9	*6·3*	117·3	116·7	86
3	109·4	115·6	118·0	*6·5*	122·3	116·5	117·8	*6·2*	119·1	118·8	85
4	115·6	118·0	120·8	*7·7*	124·7	119·6	120·7	*7·4*	122·0	121·4	83
1973 *1*	126·0	119·5	123·0	*8·0*	131·1	120·3	122·2	*7·3*	125·0	124·9	81½
2	133·3	120·1	126·9	*9·3*	137·4	123·5	125·2	*8·1*	129·0	129·1	79
3	150·9	124·2	128·8	*9·2*	139·8	125·3	127·7	*8·5*	130·2	130·4	77½
4	167·6	129·1	133·2	*10·3*	148·1	128·5	131·8	*9·2*	135·7	135·9	75
1974 *1*	212·5	138·3	138·8	*12·9*	156·2	133·3	137·2	*12·3*	142·2	142·2	72
2	213·7	148·9	147·0	*15·9*	161·7	142·2	145·3	*16·0*	148·0	148·8	68
3	212·9	156·1	150·7	*17·0*	164·5	146·1	149·4	*17·0*	152·7	152·9	66½
4	222·1	164·9	157·5	*18·2*	174·3	152·0	156·1	*18·5*	160·7	160·5	63½
1975 *1*	220·9	176·0	167·0	*20·3*	188·5	160·2	165·6	*20·7*	170·6	170·3	60
2	225·6	186·3	182·7	*24·3*	205·9	175·4	180·7	*24·4*	188·9	188·5	54½
3	239·3	193·4	190·7	*26·5*	211·3	184·0	188·7	*26·3*	195·8	195·7	52½
4	256·1	199·1	197·3	*25·3*	218·7	190·3	195·2	*25·0*	203·9	203·1	50½
1976 *1*	266·5	206·9	204·5	*22·5*	234·2	195·3	200·9	*21·3*	214·3	213·2	49
2	292·6	214·4	211·9	*16·0*	242·6	202·6	207·9	*15·1*	222·7	221·3	47
3	306·8	223·2	216·8	*13·7*	245·5	207·8	214·0	*13·4*	227·0	225·8	46
4	329·9	233·9	226·8	*15·0*	267·1	214·7	222·6	*14·0*	240·9	239·5	44
1977 *1*	341·5	248·0	238·2	*16·5*	385·7	224·3	233·1	*16·1*	251·8	251·7	42
2	347·5[5]	259·2[5]	248·8	*17·4*	295·5	235·0	243·9	*17·3*	262·9	262·2	40
1976 *J*	261·5	204·8	202·4	*23·4*	229·4	193·9	199·4	*22·5*	..	..	49½
F	263·9	207·3	204·9	*22·9*	235·3	195·5	201·3	*21·6*	..	..	49
M	274·2	208·6	206·1	*21·2*	237·9	196·4	202·0	*19·8*	..	..	48½
A	286·3	211·5	210·0	*18·9*	242·4	200·3	205·6	*17·6*	..	..	47½
M	292·0	214·8	212·3	*15·4*	243·0	202·9	208·3	*14·4*	..	..	47
J	299·6	217·0	213·4	*13·8*	242·4	204·5	209·9	*13·3*	..	..	47
J	302·0	219·8	213·8	*12·9*	237·3	206·1	211·8	*13·2*	..	..	47
A	304·0	223·4	216·8	*13·8*	245·0	208·0	214·1	*13·5*	..	..	46
S	314·4	226·3	219·7	*14·3*	254·3	209·2	216·1	*13·6*	..	..	45½
O	327·7	230·0	223·7	*14·7*	261·9	212·2	219·9	*14·0*	..	..	44½
N	331·8	234·6	226·8	*15·0*	267·1	214·8	222·6	*14·0*	..	..	44
D	330·2	237·2	229·8	*15·1*	272·4	217·2	225·3	*14·2*			43½
1977 *J*	337·8	244·9	235·9	*16·6*	283·2	222·0	230·9	*15·8*	..	..	42½
F	339·5	248·2	238·2	*16·2*	285·4	224·4	233·0	*15·8*	..	..	42
M	347·2	250·8	240·5	*16·7*	288·4	226·4	235·4	*16·6*	..	..	41½
A	349·7†	255·4	246·6	*17·5*	293·3	232·9	241·4	*17·4*	..	..	40½
M	348·2[5]	259·7[5]†	248·6	*17·1*	293·7	235·1	243·9	*17·1*	..	..	40
J	345·1[5]	262·4[5]	251·1	*17·4*	299·6	237·1	246·4	*17·3*	..	..	40

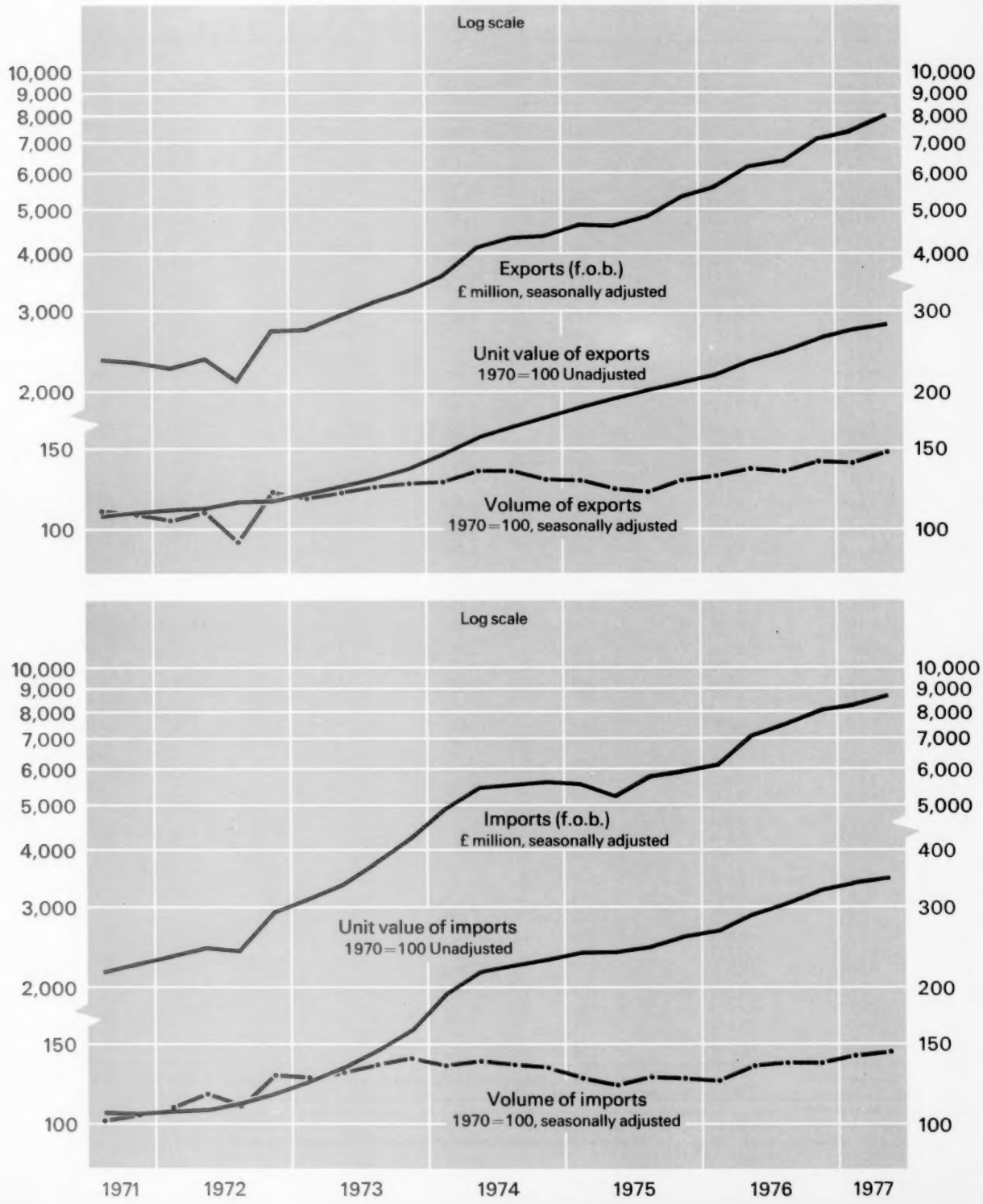
[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1970 = 100, log scale
440
420
400
380
360
340
320
300
280
260
240
220
200
180
160
140
120
100
Wholesale prices
(Materials and fuel purchased
by manufacturing industry)
Retail prices
Wholesale prices
(Home sales of
manufactured products)
1971
1972
1973
1974
1975
1976
1977

Visible trade

	Seasonally adjusted		Unadjusted					
	1970=100		1970=100				1970=100	December 1971[1]=100
	Volume indices[2]		Unit value indices[2]			Trade competitiveness index[4]	World commodity prices index[5]	Sterling effective exchange rate
	Exports	Imports	Exports	Imports	Terms of trade[3]			
1966	78·0	78·1	82·2	82·6	99·6	104·5	81	..
1967	77·6	84·9	83·4	82·8	100·8	104·1	80	..
1968	87·3	93·6	90·0	92·7	97·1	98·1	91	..
1969	95·9	94·4	93·0	95·6	97·3	98·0[6]	96	..
1970	100·0	100·0	100·0	100·0	100·0	100·0	100	..
1971	106·7	104·2	105·6	104·7	100·9	102·2	105	..
1972	107·1	116·7	111·1	109·7	101·3	102·6	116	95·2
1973	122·2	133·8	126·0	139·6	90·3	94·1	168	86·3
1974	131·2	136·2	162·7	216·7	75·1	93·1	295	83·6
1975	125·6	126·4	198·5	245·0	81·0	96·5	300	77·2
1976	135·9	134·2	240·6	299·4	80·4		385	65·4
1971 *3*	109·8	102·3	107·3	106·5	100·7	102·5	106	..
4	107·5	106·1	109·0	105·8	103·0	104·3	104	..
1972 *1*	104·3	109·9	110·2	107·2	102·8	105·8	109	99·6
2	109·4	117·3	110·7	107·7	102·8	105·4	110	99·0
3	94·0	110·4	114·0	111·5	102·2	101·6	119	92·1
4	120·8	129·1	115·1	116·6	98·7	97·8	127	90·2
1973 *1*	117·5	128·8	119·3	123·4	96·7	97·3	141	88·8
2	120·4	130·2	123·8	133·1	93·0	97·8	153	89·3
3	124·4	135·6	129·1	146·7	88·0	91·2	174	84·2
4	126·5	140·4	136·1	161·7	84·2	90·7	205	83·0
1974 *1*	127·1	135·6	147·2	194·2	75·8	91·2	298	83·1
2	134·0	138·8	159·9	218·0	73·3	93·5	287	84·7
3	134·6	136·8	168·1	223·8	75·1	93·7	292	84·2
4	129·2	133·7	175·8	231·0	76·1	93·8	303	82·6
1975 *1*	128·8	127·9	184·9	239·8	77·1	93·9	287	81·7
2	122·6	122·0	193·4	240·4	80·4	95·5	284	79·1
3	121·3	128·3	202·2	246·4	82·1	96·7	306	75·2
4	129·6	127·4	210·1	259·7	80·9	97·8	324	73·0
1976 *1*	131·5	126·1	219·0	268·3	81·6	99·3[7]	338	72·0
2	137·1	134·6	234·2	291·7	80·3	94·5[7]	381	65·8
3	134·2	137·9	247·4	307·3	80·5	95·3[7]	395	64·1
4	140·8	138·1	261·7	330·0	79·3		422	59·6
1977 *1*	140·7	142·4	274·5	340·7	80·6		439[7]	61·8
2	148·8[7]	144·1[7]	281·0[7]	350·0[7]	80·3[7]			61·6
1976 *J*	131·6	127·7	215·6	264·8	81·4	..	..	72·8
F	129·6	126·6	218·9	267·8	81·7	..	..	72·7
M	133·4	123·9	222·6	272·3	81·7	..	..	70·5
A	135·6	132·1	228·4	283·6	80·5	..	..	67·2
M	137·2	134·7	233·9	292·3	80·0	..	..	65·8
J	138·5	137·1	240·4	299·2	80·3	..	..	64·3
J	130·4	139·4	242·6	304·1	79·8	..	..	65·1
A	134·9	133·7	247·9	306·0	81·0	..	..	64·8
S	137·3	140·4	251·7	311·8	80·7	..	..	62·5
O	140·8	140·6	256·4	322·0	79·6	..	..	59·2
N	138·1	140·1	261·8	332·7	78·7	..	..	59·1
D	143·3	133·6	266·9	335·4	79·6	..	..	60·5
1977 *J*	141·0	153·9	272·7	336·7	81·0	..	..	61·8
F	138·3	133·8	273·9	340·1	80·5	..	..	61·7
M[7]	142·9	139·4	276·8	345·2	80·2	..	..	61·9
A	148·8	138·6	277·4	348·7	79·6	..	..	61·7
M	145·0†	142·2†	282·5†	349·4†	80·9	..	..	61·6
J	152·5[7]	151·6[7]	283·2[7]	351·9[7]	80·5[7]	..	..	61·5

[1] This series has been revised. For further information an article describing the background to, and basis of, this revised calculation is published in the March issue of *Economic Progress Report* prepared by HM Treasury.
[2] On a balance of payments basis.
[3] Unit value index for exports expressed as a percentage of unit value index for imports.
[4] The ratio of UK to weighted average export (dollar) prices for major competitors in respect of manufactured goods.
[5] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[6] Differences in quarterly and annual averages for 1969 and 1970 are due to the effects of adjusting the UK series for export over-valuation.
[7] Provisional.


Log scale
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
150
100
Exports (f.o.b.)
£ million, seasonally adjusted
Unit value of exports
1970=100 Unadjusted
Volume of exports
1970=100, seasonally adjusted
300
200
150
100
Log scale
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
150
100
Imports (f.o.b.)
£ million, seasonally adjusted
Unit value of imports
1970=100 Unadjusted
Volume of imports
1970=100, seasonally adjusted
400
300
200
150
100
1971
1972
1973
1974
1975
1976
1977

Balance of payments: current account

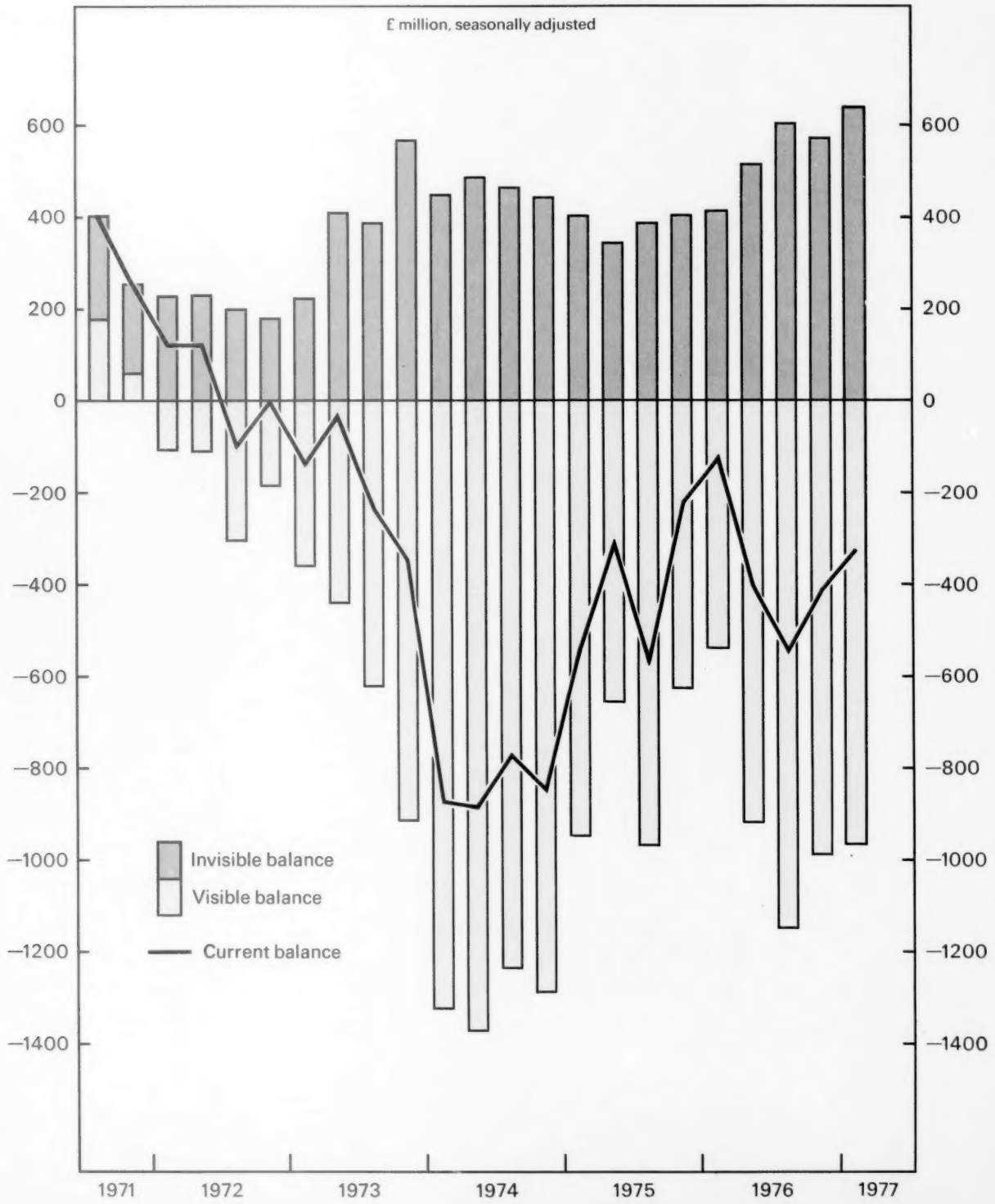
Seasonally adjusted

£ million

	Visible trade[1]			Invisibles			
	Exports (f.o.b.) §	Imports (f.o.b.) §	Total	Credits	Debits	Balance	Current balance
1966	5,276	5,342	− 66	2,955	2,788	+ 167	+ 101
1967	5,241	5,796	− 555	3,245	2,989	+ 256	− 299
1968	6,433	7,100	− 667	3,809	3,414	+ 395	− 272
1969	7,269	7,425	− 156	4,315	3,699	+ 616	+ 460
1970	8,121	8,146	− 25	5,006	4,248	+ 758	+ 733
1971	9,061	8,781	+ 280	5,550	4,743	+ 807	+1,087
1972	9,449	10,151	− 702	6,101	5,268	+ 833	+ 131
1973	12,115	14,449	−2,334	8,390	6,808	+1,582	− 752
1974	16,450	21,671	−5,221	10,165	8,324	+1,841	−3,380
1975	19,379	22,574	−3,195	11,076	9,531	+1,545	−1,650
1976	25,294	28,886	−3,592	13,703	11,587	+2,116	−1,476
1971 *3*	2,348	2,171	+ 177	1,402	1,177	+ 225	+ 402
4	2,316	2,257	+ 59	1,411	1,217	+ 194	+ 253
1972 *1*	2,244	2,350	− 106	1,481	1,255	+ 226	+ 120
2	2,358	2,466	− 108	1,499	1,270	+ 229	+ 121
3	2,108	2,412	− 304	1,548	1,349	+ 199	− 105
4	2,739	2,923	− 184	1,573	1,394	+ 179	− 5
1973 *1*	2,747	3,107	− 360	1,781	1,559	+ 222	− 138
2	2,921	3,360	− 439	2,073	1,666	+ 407	− 32
3	3,132	3,753	− 621	2,124	1,738	+ 386	− 235
4	3,315	4,229	− 914	2,412	1,845	+ 567	− 347
1974 *1*	3,584	4,908	−1,324	2,466	2,019	+ 447	− 877
2	4,131	5,504	−1,373	2,529	2,043	+ 486	− 887
3	4,357	5,593	−1,236	2,521	2,057	+ 464	− 772
4	4,378	5,666	−1,288	2,649	2,205	+ 444	− 844
1975 *1*	4,644	5,591	− 947	2,658	2,252	+ 406	− 541
2	4,611	5,266	− 655	2,712	2,366	+ 346	− 309
3	4,808	5,775	− 967	2,786	2,398	+ 388	− 579
4	5,316	5,942	− 626	2,920	2,515	+ 405	− 221
1976 *1*	5,611	6,149	− 538	3,060	2,643	+ 417	− 121
2	6,209	7,128	− 919	3,279	2,761	+ 518	− 401
3	6,400	7,548	−1,148	3,594	2,989	+ 605	− 543
4	7,074	8,061	− 987	3,770	3,194	+ 576	− 411
1977 *1*	7,415	8,383	− 968	3,802	3,161	+ 641	− 327
2							
1976 *J*	1,837	2,050	− 213	..	..		..
F	1,832	2,061	− 229	..	..	+ 417	..
M	1,942	2,038	− 96	..	..		..
A	2,003	2,254	− 251	..	..		..
M	2,068	2,414	− 346	..	..	+ 518	..
J	2,138	2,460	− 322	..	..		..
J	2,028	2,532	− 504	..	..		..
A	2,152	2,435	− 283	..	..	+ 605	..
S	2,220	2,581	− 361	..	..		..
O	2,306	2,624	− 318	..	..		..
N	2,320	2,775	− 455	..	..	+ 576	..
D	2,448	2,662	− 214	..	..		..
1977 *J*	2,479	3,017	− 538	..	..		..
F	2,437	2,625	− 188	..	..	+ 641	..
M	2,499	2,741	− 242	..	..		..
A	2,635	2,764	− 129	..	..	+ 220[2]	+ 91
M	2,609†	2,860	− 251†	..	..	+ 220[2]	− 31†
J	2,781	3,068	− 287	..	..	+ 220[2]	− 67

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Industry.

[2] These figures are projections and are subject to revision as the relevant statistical information becomes available.


£ million, seasonally adjusted
600
400
200
0
−200
−400
−600
−800
−1000
−1200
−1400
Invisible balance
Visible balance
Current balance
1971
1972
1973
1974
1975
1976
1977

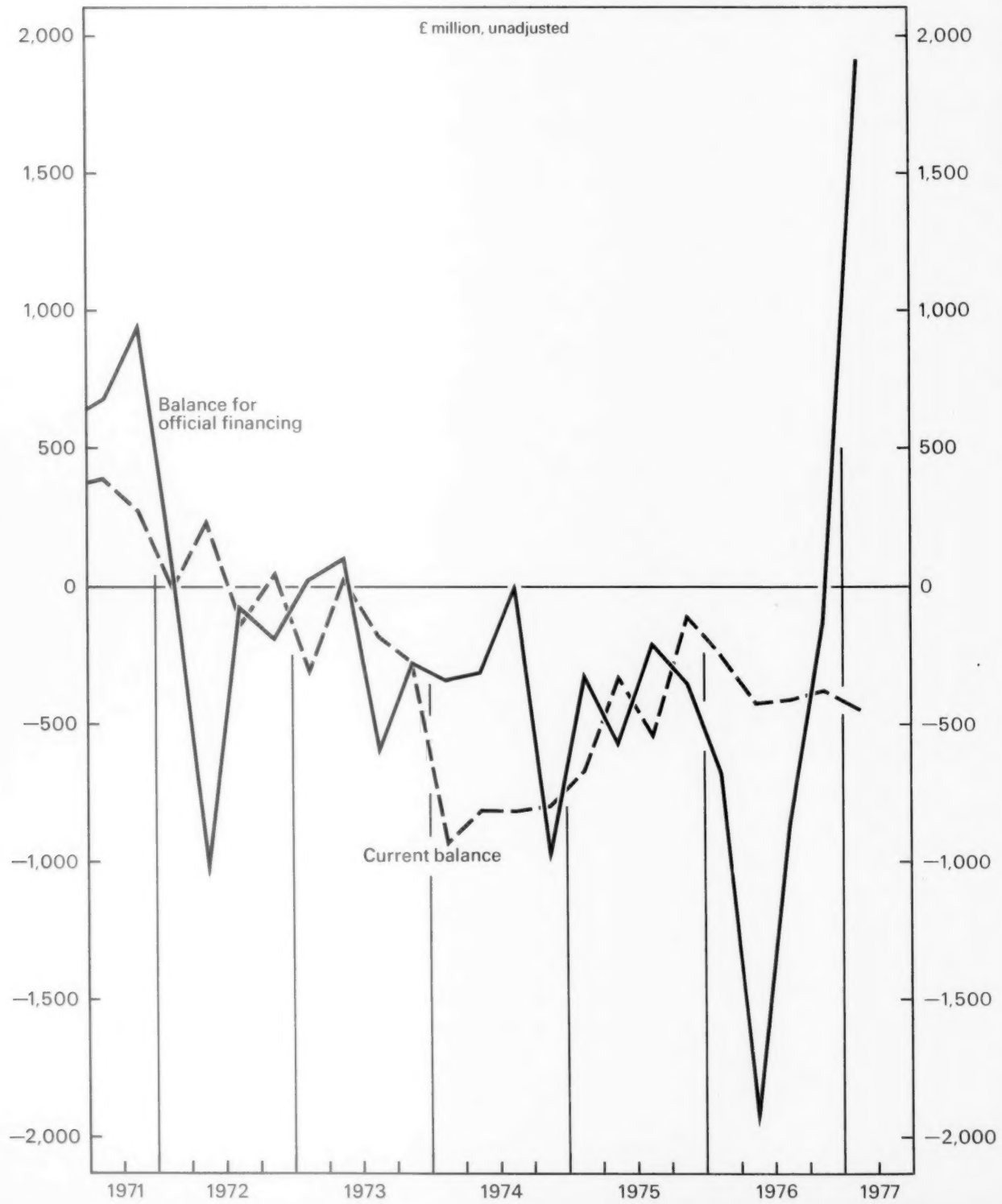
Analysis of capital flows and official financing [1]

£ million

Not seasonally adjusted

	Investment and other capital flows									Official financing	
	Current balance	Official long-term capital	Overseas investment in UK public sector [2]	Private sector investment (net)	Overseas currency borrowing or lending (net) by UK banks [2]	Change in external sterling liabilities	Trade credit [3] and other short-term flows	Balancing item and other capital flows [4]	Balance for official financing [5]	Allocation of SDR and gold subscription to IMF	Drawings on (+)/ additions to (−) official reserves [6]	Other transactions (net) [7]
1966	+ 101	− 81	+ 35	− 39	−192	− 101	−200	− 70	− 547	− 44	− 34	+ 625
1967	− 299	− 59	+ 54	− 96	+ 36	− 284	−146	+123	− 671	—	+ 115	+ 556
1968	− 272	+ 17	+ 16	− 160	− 15	− 308	−305	−383	−1,410	—	+ 114	+1,296
1969	+ 460	− 99	− 56	− 6	− 38	+ 261	−227	+392	+ 687	—	− 44	− 643
1970	+ 733	−204	− 10	+ 49	+472	+ 459	−193	− 19	+1,287	+133	− 125	−1,295
1971	+1,087	−273	+107	+ 216	+471	+1,422	−126	+242	+3,146	+125	−1,536	−1,735
1972	+ 131	−255	+113	− 610	+471	+ 196	−608	−703	−1,265	+124	+ 692	+ 449
1973	− 752	−254	+171	− 196	+535	+ 154	−384	− 45	− 771	—	− 228	+ 999
1974	−3,380	−276	+250	+1,129	−294	+1,558	−686	+ 53	−1,646	—	− 105	+1,751
1975	−1,650	−288	+ 43	+ 416	+238	− 67	+ 12	−169	−1,465	—	+ 655	+ 810
1976	−1,476	−158	+203	+ 52	+112	−1,152	−1,342	+133	−3,628	—	+ 853	+2,775
1970 *3*	+ 80	− 20	− 23	− 84	− 24	+ 3	− 13	−121	− 202	—	+ 52	+ 150
4	+ 227	− 98	+ 13	− 26	+248	+ 16	−110	+ 77	+ 347	− 38	− 67	− 242
1971 *1*	+ 70	− 46	+ 70	+ 132	+ 84	+ 285	+ 70	+257	+ 922	+125	− 204	− 843
2	+ 360	− 43	+ 7	+ 44	+148	+ 277	− 97	− 93	+ 603	—	− 126	− 477
3	+ 387	− 35	+ 5	+ 54	+ 28	+ 337	+ 88	−196	+ 668	—	− 576	− 92
4	+ 270	−149	+ 25	− 14	+211	+ 523	−187	+274	+ 953	—	− 630	− 323
1972 *1*	− 10	− 43	+ 64	− 191	+114	+ 211	−163	+ 75	+ 57	+124	− 191	+ 10
2	+ 235	− 39	+ 20	− 194	−132	− 138	−374	−423	−1,045	—	+ 46	+ 999
3	− 136	− 17	+ 22	− 77	+199	− 92	− 47	+ 69	− 79	—	+ 639	− 560
4	+ 42	−156	+ 7	− 148	+290	+ 215	− 24	−424	− 198	—	+ 198	—
1973 *1*	− 321	− 55	+ 44	− 17	+ 1	+ 170	− 67	+272	+ 27	—	− 72	+ 45
2	+ 29	− 31	+ 20	+ 30	+162	+ 166	+ 9	−286	+ 99	—	− 380	+ 281
3	− 183	− 27	+ 21	− 51	+ 36	− 415	−208	+209	− 618	—	+ 254	+ 364
4	− 277	−141	+ 86	− 158	+336	+ 233	−118	−240	− 279	—	− 30	+ 309
1974 *1*	− 933	− 53	+ 32	+ 564	− 61	+ 179	−153	+ 86	− 339	—	+ 33	+ 306
2	− 823	− 42	+107	+ 299	+ 56	+ 386	− 87	−215	− 319	—	− 116	+ 435
3	− 824	− 15	+ 30	+ 356	−346	+ 616	−123	+306	—	—	− 189	+ 189
4	− 800	−166	+ 81	− 90	+ 57	+ 377	−323	−124	− 988	—	+ 167	+ 821
1975 *1*	− 669	− 73	+ 66	− 28	− 80	+ 247	− 9	+220	− 326	—	− 142	+ 468
2	− 331	− 39	—	− 333	+774	− 17	−267	−359	− 572	—	+ 410	+ 162
3	− 540	− 26	− 52	+ 602	− 14	− 379	+239	− 43	− 213	—	+ 170	+ 43
4	− 110	−150	+ 29	+ 175	−442	+ 82	+ 49	+ 13	− 354	—	+ 217	+ 137
1976 *1*	− 251	− 37	+ 9	+ 182	+159	− 75	−598	− 67	− 678	—	− 178	+ 856
2	− 429	− 26	+ 13	− 159	− 6	− 932	−527	+111	−1,955	—	+ 354	+1,601
3	− 416	− 10	+ 58	+ 68	−172	− 137	−224	− 29	− 862	—	+ 61	+ 801
4	− 380	− 85	+123	− 39	+131	− 8	+ 7	+118	− 133	—	+ 616	− 483
1977 *1*	− 451	− 24	+458	+ 470	+399	+ 389	+198	+474	+1,913	—	−3,197	+1,284
2												

[1] More comprehensive analyses are given in the appendix tables to the balance of payments articles in the March, June, September and December issues.
[2] Excluding public sector borrowing under the exchange cover scheme which is included under official financing.
[3] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.
[4] Capital transfers and EEA loss on forward commitments.
[5] Balance of current and capital transactions, including unidentified transactions covered by official financing other than that relating to IMF gold subscriptions and the allocation of SDRs.
[6] From 23 August 1971, valued in sterling at transactions rates of exchange. From July 1972, includes transactions affecting the United Kingdom reserve position in the IMF.
[7] Includes net transactions with overseas monetary authorities and other foreign currency borrowing by HM Government and by the public sector under the exchange cover scheme; in 1966 and 1967 includes the transfer from dollar portfolio to reserves.


£ million, unadjusted
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
Balance for official financing
Current balance
1971
1972
1973
1974
1975
1976
1977

Money stock

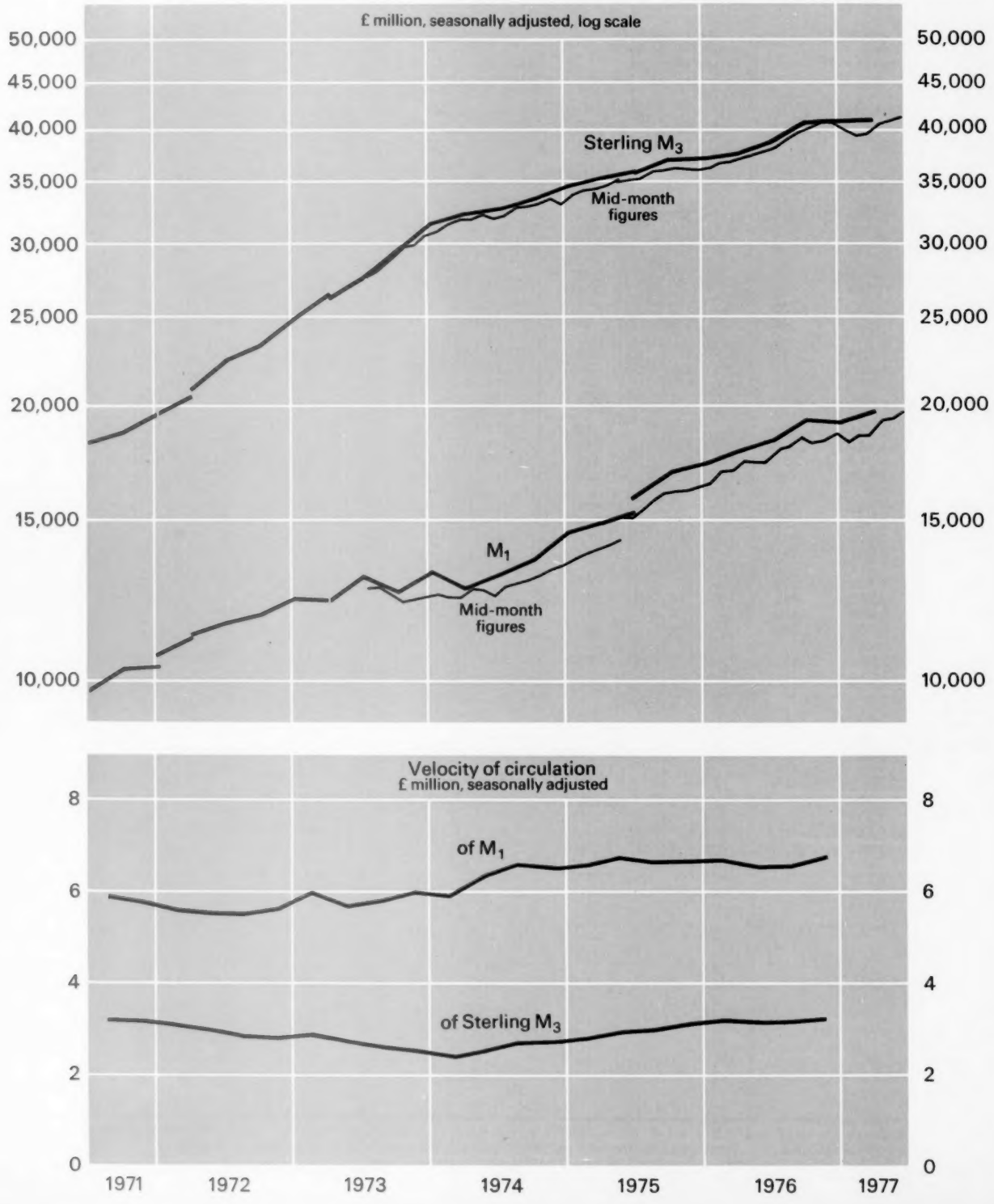
£ million: amounts outstanding

	M_1			Sterling M_3			M_3			Velocity of circulation[1]		
	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted §	Changes (seasonally adjusted)	*Percentage change*	M_1	Sterling M_3	M_3
At end period												
1971 *1*	9,820	391	*+4·1*	17,840	539	*+3·1*	18,330	519	*+3·0*	5·648	3·094	3·009
2	9,890	68	*+0·7*	18,240	403	*+2·3*	18,740	421	*+2·2*	5·747	3·139	3·055
3	10,230	341	*+3·4*	18,670	442	*+2·4*	19,180	447	*+2·3*	5·864	3·196	3·111
4[2]	10,340 / 10,740	103	*+1·0*	19,580 / 19,580	918	*+4·9*	20,010 / 20,010	826	*+4·3*	5·742	3·148	3·073
1972 *1*[3]	11,140 / 11,190	398	*+3·7*	20,420 / 20,830	842	*+4·3*	20,950 / 21,360	941	*+4·7*	5·574	3·037	2·966
2	11,590	400	*+3·6*	22,400	1,575	*+7·6*	23,010	1,658	*+7·7*	5·530†	2·925	2·849
3	11,790	209	*+1·8*	23,340	952	*+4·3*	23,990	991	*+4·3*	5·459	2·790	2·715
4	12,290	497	*+4·2*	24,870	1,545	*+6·6*	25,670	1,696	*+7·0*	5·564	2·779	2·698
1973 *1*[3]	12,250 / 12,250	— 48	*−0·4*	26,330 / 26,230	1,508	*+6·1*	27,320 / 27,330	1,705	*+0·4*	5·917	2·839	2·740
2	13,010	764	*+6·2*	27,520	1,310	*+5·0*	28,590	1,283	*+4·6*	5·660	2·658	2·557
3	12,540	−446	*−3·6*	29,510	2,002	*+7·3*	30,830	2,250	*+7·8*	5·764	2·583	2·479
4	13,100	569	*+4·5*	31,540	2,048	*+6·9*	32,970	2,160	*+6·9*	5·936	2·493	2·386
1974 *1*	12,650	−428	*−3·3*	32,370	873	*+2·8*	34,140	1,214	*+3·5*	5·878	2·368	2·256
2	13,030	382	*+3·0*	32,630	278	*+0·9*	34,810	685	*+1·9*	6·270	2·477	2·335
3	13,520	495	*+3·8*	33,530	895	*+2·7*	36,030	1,215	*+3·5*	6·554	2·630	2·456
4	14,510	988	*+7·3*	34,740	1,209	*+3·6*	37,140	1,107	*+3·1*	6·426	2·638	2·462
1975 *1*	14,810	309	*+2·1*	35,290	534	*+1·5*	37,810	655	*+1·8*	6·521	2·730	2·551
2[4]	15,200 / 15,930	384	*+2·6*	35,960 / 35,940	672	*+1·9*	38,310 / 38,300	504	*+1·3*	6·689	2·852	2·670
3	16,800	874	*+5·5*	37,060	1,115	*+3·1*	39,860	1,552	*+4·1*	6·604	2·927	2·734
4[5]	17,250	448	*+2·7*	37,070	9	—	40,040	191	*+0·5*	6·625	3·043	2·823
1976 *1*	17,890	632	*+3·7*	37,650	576	*+1·6*	40,800	748	*+1·9*	6·658	3·131	2·894
2	18,310	423	*+2·4*	38,810	1,161	*+3·1*	42,380	1,576	*+3·9*	6·524	3·089	2·839
3	19,250	942	*+5·2*	40,460	1,666	*+4·3*	44,520	2,143	*+5·1*	6·581	3·118	2·844
4	19,050	−201	*−1·0*	40,450	— 23	*−0·1*	44,420	— 101	*−0·2*	6·754	3·196	2·909
1977 *1*	19,640	585	*+3·1*	40,540	90	*+0·2*	44,820	405	*+0·9*			
2												
At mid-month												
1976 *J*	16,480	— 24	*−0·1*	36,310	11	—	39,030	379	*+0·2*	..	..	..
F	16,900	420	*+2·5*	36,570	258	*+0·7*	39,310	280	*+0·7*	..	..	..
M	16,970	173	*+0·4*	36,700	119	*0·3*	39,640	323	*+0·8*	..	..	..
A	17,370	398	*+2·3*	37,200	495	*+1·3*	40,230	584	*+1·5*	..	..	..
M	17,352	−124	*−0·7*	37,440	234	*+0·6*	40,430	195	*+0·5*	..	..	..
J	17,260	11	*+0·1*	37,770	332	*+0·9*	40,900	468	*+1·2*	..	..	..
J	17,880	619	*+3·6*	38,370	594	*+1·6*	41,690	789	*+1·9*	..	..	..
A	18,030	150	*+0·8*	38,930	564	*+1·5*	42,473	673	*+1·6*	..	..	..
S	18,480	446	*+2·5*	39,550	613	*+1·6*	43,270	904	*+2·1*	..	..	..
O	18,180	−297	*−1·6*	40,000	450	*+1·1*	43,910	637	*+1·5*	..	..	..
N	18,320	140	*+0·8*	40,394	483	*+1·2*	44,310	393	*+0·9*	..	..	..
D	18,660	344	*+1·9*	40,390	— 93	*−0·2*	44,050	— 259	*−0·6*	..	..	..
1977 *J*	18,320	−347	*−1·9*	39,660	−733	*−1·8*	43,390	— 662	*−1·5*	..	..	..
F	18,480	166	*+0·9*	39,260	−403	*−1·0*	43,130	— 258	*−0·6*	..	..	..
M	18,490	10	*+0·1*	39,330†	70	*+0·2*	43,200	69	*+0·2*	..	..	..
A	19,140†	646†	*+3·5†*	40,250	919†	*+2·3†*	44,480†	1,283†	*+ 3·0*	..	..	..
M	19,220	77	*+0·4*	40,480	236	*+0·6*	44,770	295	*+ 0·7†*	..	..	..
J	19,590	374	*+1·9*	40,880	399	*+1·0*	45,160	391	*+ 0·6*	..	..	..

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_1/sterling M_3/M_3 seasonally adjusted.

[2] The break in the series M_1 between September and December 1971 reflects additional statistical information.

[3] The breaks in the series at end-March 1972 and end-March 1973 show, in each case, the effects of changes in contributors which are described in *Financial Statistics*. [4] At mid-May 1975 new statistical returns were introduced. The first line of figures for end-June 1975, includes a number of estimates to provide reasonable consistency with earlier dates. [5]The amounts outstanding at end-December 1975, are shown after the exclusion of one contributor to the series, but the effect on the figures is very small. The changes have been adjusted to exclude the effect of the reduction in the number of contributors


£ million, seasonally adjusted, log scale
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
Sterling M3
Mid-month figures
M1
Mid-month figures
Velocity of circulation
£ million, seasonally adjusted
8
6
4
2
0
of M1
of Sterling M3
1971
1972
1973
1974
1975
1976
1977

Domestic credit expansion and money stock

Seasonally adjusted[1]

£ million

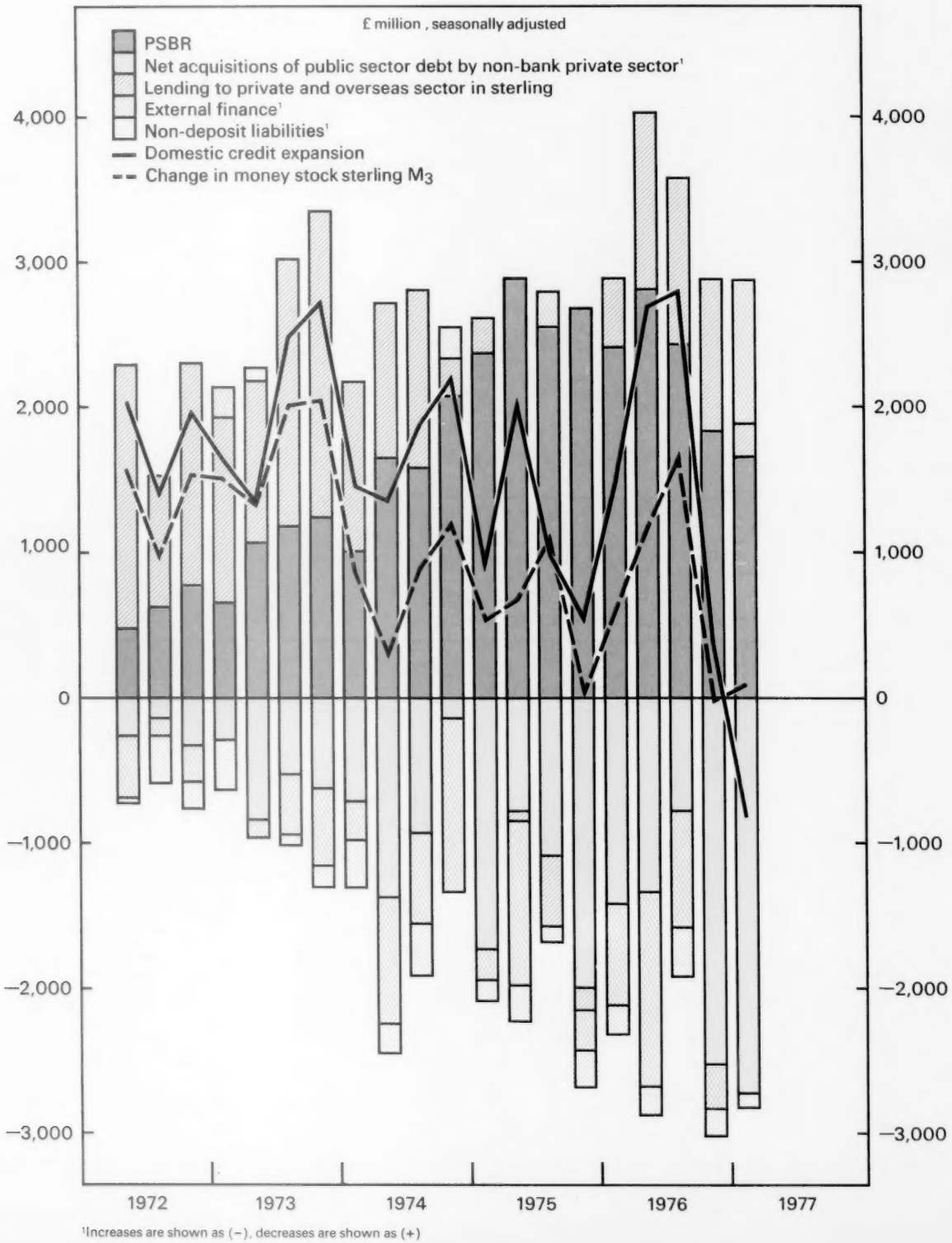
	Public sector borrowing requirement		Net acquisition of public sector debt by the non-bank private sector		Sterling lending to the private sector[2]	Bank lending in sterling to overseas	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M_3
	Central government	Other public sector	Other public sector	Central government						
	1	2	3	4	5	6	7	8	9	10
1972	1,596	444†	230†	776	5,510	136	6,680	1,101	652	4,927
1973	2,321	1,843	889	1,401†	5,972	189	8,035†	847†	485	6,702
1974	3,491	2,843	2,311	852	3,435	289	6,895	2,958	682	3,255
1975	8,376	2,139	256	5,346	– 384	– 65	4,464	1,374	760	2,330
1976	6,786	2,726	472	5,617	3,431	650	7,504	3,109	865	3,570
1972 *1*	137	23	42	236	1,455	– 83	1,254	308	104	842
2	223	255	34	226	1,690	129	2,037	427	35	1,575
3	605	20	22	119	868	46	1,398	118	328	952
4	631	146†	132†	195	1,484	44	1,978	248	185	1,545
1973 *1*	574	81	157	136	1,401	–124	1,639	– 212†	342	1,508
2	860	211	311	534	1,024	90	1,340	114	– 84	1,310
3	325	868	184	344	1,664	168	2,497	418	77	2,002
4	562	683	237	387	2,049	55	2,725†	527	150	2,048
1974 *1*	525	486	603	115	1,062	105	1,460	260	327	873
2	785	867	728	643	1,026	45	1,352	876	198	278
3	912	681	452	478	1,196	21	1,879	624	361	895
4	1,269	809	528	– 384	151	118	2,203	1,198	– 204	1,209
1975 *1*	1,883	495	63	1,669	370	–124	892	215	143	534
2	2,180	716	228	556	– 213	148	2,047	1,130	245	672
3	2,406	147	– 145	1,232	– 481	2	987	– 243	115	1,115
4	1,907	781	110	1,889	– 60	– 91	538	272	257	9
1976 *1*	2,139	276	– 1	1,444	130	345	1,447	666	205	576
2	2,007	809	216	1,120	949	266	2,695	1,332	202	1,161
3	1,805	636	115	667	943	201	2,803	795	342	1,666
4	835	1,005	142	2,386	1,219	–162	369	316	76	– 23
1977 *1*	1,207	456	536	2,182	333	– 92	– 814	– 997	93	90
2										
Three months ending										
1975 April 16	1,435		676	1,248	94	82	1,039	289	123	627
July 16	2,493		378	774	– 282	57	1,872	1,261	– 19	630
Oct. 15	2,571		4	1,235	– 208	– 6	1,126	– 144	154	1,116
1976 Jan. 21	1,982		873	2,362	10	–205	298	163	15	120
April 21	1,676		219	597	432	435	2,165	1,066	227	872
July 21	1,945		435	985	990	154	2,539	927	452	1,160
Oct. 20	1,913		409	1,125	1,215	99	2,511	886	– 2	1,627
1977 Jan. 19	1,029		625	2,868	1,005	–188	– 397	– 256	202	– 343
April 20	1 399		– 200	1,089	– 151	– 27	– 68[3]	– 739	70	601
Month ending										
1976 Nov. 9			287		514	– 24	777	149	145	483
Dec. 8			– 170		69	– 18	– 119	– 111	85	– 93
1977 Jan. 19			–1,331		422	–146	–1,055	– 294	– 28	– 733
Feb. 16			– 561		– 296	– 86	– 943	– 401	–139	– 403
March 16			101		– 77	52	76	– 45	51	70
April 20			570		222	7	799	– 293	158	934
May 18			47		355	– 15	387	– 53	211	229
June 15										

Relationship between columns 7 = 1 + 2 – 3 – 4 + 5 + 6; 10 = 7 – 8 – 9 (The figures combined in the bracket are column 2 *less* column 3).

[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.

[3] Of which in month ending April 20: 799



[1]Increases are shown as (−), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government									Public expenditure[4]
	Receipts[2]		Expenditure							
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers			Net lending, etc.[3]	Total	
			Consumption	Investment	Current grants and subsidies	Capital transfers	Debt interest			
1973	24,003	2,964	13,366	3,665	8,243	959	2,718	1,617	30,568	27,903
1974	29,422	3,592	16,637	4,381	11,179	1,113	3,470	2,390	39,170	36,068
1975	38,003	4,344	22,847	5,099	14,586	1,220	4,063	3,757	51,572	47,670
1976	44,606†	5,114†	26,451†	5,358†	17,124†	1,429	5,385†	2,599†	58,346†	53,948†
1973 *3*	5,808	824	3,378	950	1,957	235	807	102	7,429	6,685
4	5,923	733	3,546	1,003	2,279	217	668	378	8,091	7,455
1974 *1*	7,639	922	3,834	1,318	2,560	277	981	546	9,516	8,607
2	6,627	778	3,799	812	2,493	263	616	423	8,406	7,757
3	7,508	967	4,274	1,135	2,907	278	1,003	895	10,492	9,627
4	7,648	925	4,730	1,116	3 219	295	870	526	10,756	10,077
1975 *1*	9,470	1,094	5,414	1,369	3,356	374	1,103	1,264	12,880	11,809
2	8,871	1,000	5,429	1,134	3,667	207	720	771	11,928	11,102
3	9,723	1,166	5,822	1,231	3,659	304	1,232	853	13.101	12,041
4	9,939	1,084	6,182	1,365	3,904	335	1,008	869	13,663	12,718
1976 *1*	11,397†	1,351	6,314	1,652	4,178†	387	1,514	1,062	15,107†	13,792†
2	10,636	1,167†	6,494†	1,175	4,275	308	998	520	13,770	12,840
3	11,022	1,352	6,717	1,268†	4,217	327	1,623	786	14,938	13,752
4	11,551	1,244	6,926	1,263	4,454	407	1,250†	231†	14,531	13,566
1977 *1*	13,308	1,464	7,024	1,569	4,818	454	1,830	513	16,208	14,897
2										

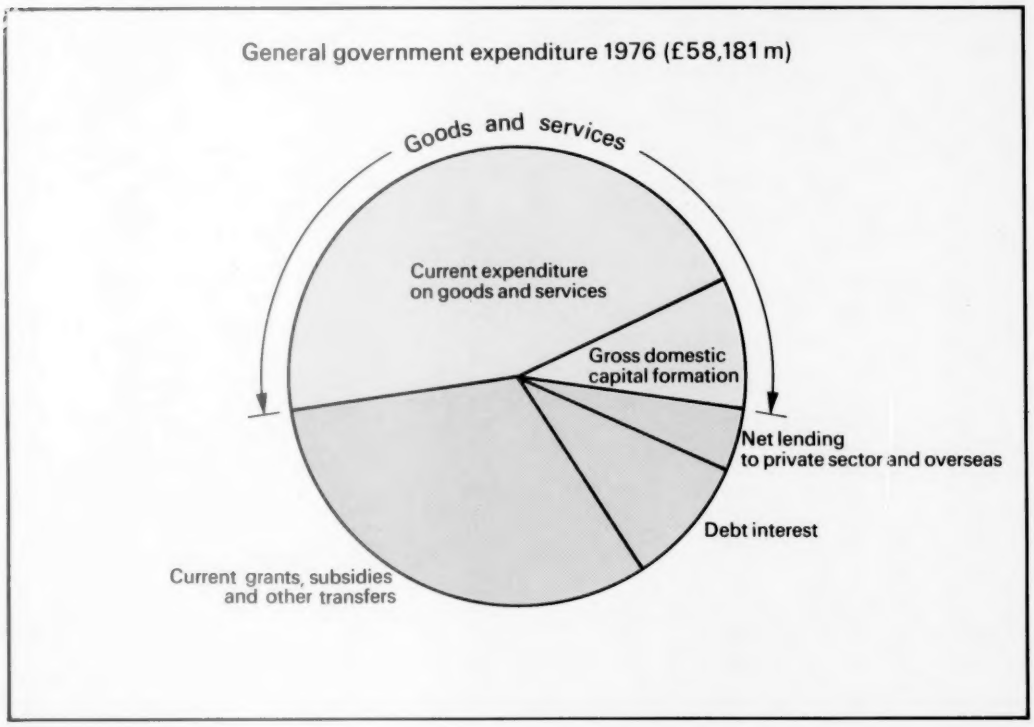
[1] An article describing the new presentation of government income and expenditure was published in the March issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).
[4] As defined in the public expenditure White Paper (Cmnd. 6721). A reconciliation with the total of general government expenditure is shown in Table 2·4 of *Financial Statistics*.

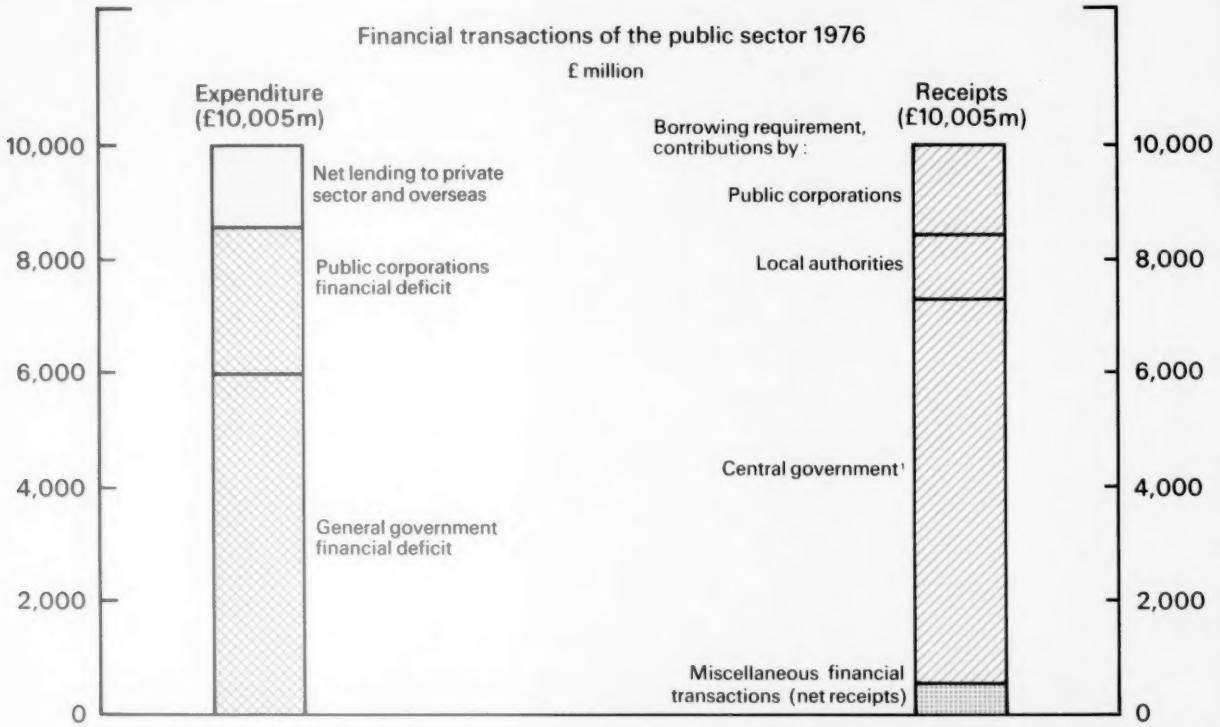
Financial transactions of the public sector

£ million

	Financial deficit[1]			Net lending etc., to private sector and overseas[3]	Total	Receipts				
							Borrowing requirement			
	Total	General government[2]	Public corporations			Financial transactions (net receipts)	Total	Contributions by:		
								Central government[4]	Local authorities	Public corporations
1973	2,785	1,984	801	971	3,756	−408	4,164	2,321	1,348	495
1974	5,356	3,766	1,590	1,834†	7,190†	855	6,334	3,491	2,125	718
1975	8,393	5,468	2,925	1,809	10,202	−313	10,515	8,376	1,653	486
1976	8,611†	6,027†	2,584	1,434	10,045	533†	9,512	6,786	1,135	1,591
1973 *3*	1,066	695	371	278	1,344	−188	1,532	645	337	550
4	1,077	1,057	20	195	1,272	−301	1,573	986	356	231
1974 *1*	751	409	342	475	1,226	1,300	−74	−609	452	83
2	884	578	306	368	1,252	−622	1,874	985	780	109
3	1,678	1,122	556	639†	2,317†	724	1,592	858	452	282
4	2,043	1,657	386	352	2,395	−547	2,942	2,257	441	244
1975 *1*	1,955	1,052	903	477	2,432	920	1,512	987	527	− 2
2	1,860	1,286	574	307	2,167	−934	3,101	2,356	612	133
3	2,384	1,359	1,025	419	2,803	308	2,494	2,288	210	− 4
4	2,194	1,771	423	606	2,800	−607	3,408	2,745	304	359
1976 *1*	2,079†	1,297†	782	454	2,533	911†	1,622	1,410	196	16
2	2,088	1,447	641	416	2,504	−498	3,002	2,208	282	512
3	2,727	1,778	949	324	3,051	728	2,323	1,655	288	380
4	1,717	1,505	212	240	1,957	−608	2,565	1,513	369	683
1977 *1*	1,339	923	416	393	1,732	879	853	469	502	−118
2										

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, less 1 and 2.
[3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations.


General government expenditure 1976 (£58,181 m)
Goods and services
Current expenditure on goods and services
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Current grants, subsidies and other transfers



[1]Including borrowing matched by on-lending to local authorities and public corporations.

Sector financial accounts

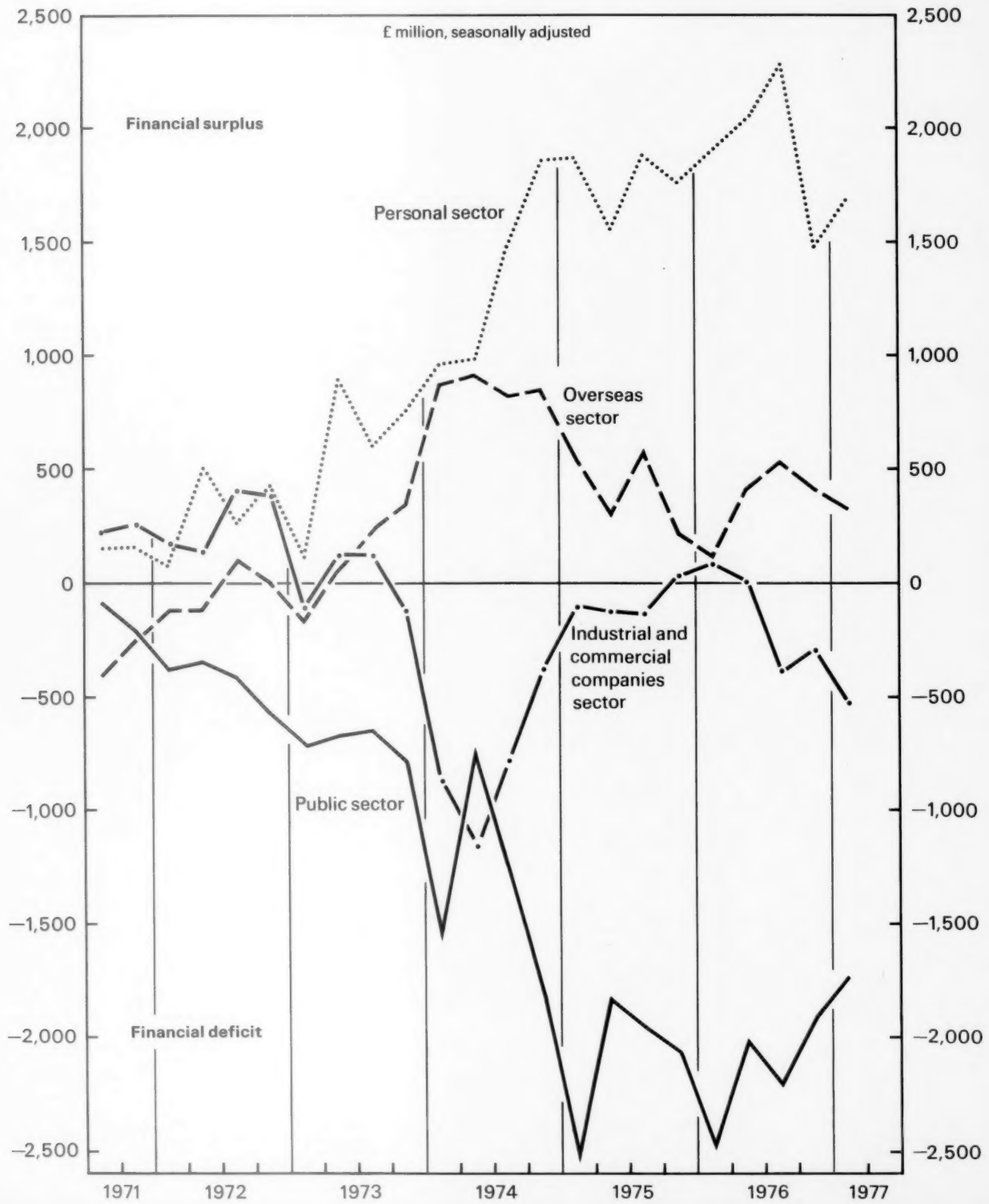
Seasonally adjusted

£ million

	Public sector[1]			Financial companies			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1973	3,084	+ 16	5,885	822	— 76	1,269	7,977	347	8,281
1974	2,267	— 24	7,599	769	— 66	1,403	8,477	333	11,997
1975	1,535	— 92	9,836	641†	— 16	1,598	8,643†	403	9,375
1976	2,185†	—167	10,633	1010	—129	1,903	11,779	360	12,727†
1972 *3*	738	22	1,169	199	— 15	240	1,455	81	1,131
4	660	12	1,244	180	— 16	209	1,672	87	1,369
1973 *1*	732	— 15	1,429	239	— 19	255	1,732	97	1.934
2	722	— 2	1,379	189	— 19	309	1,917	77	1,862
3	843	12	1,494	197	— 19	341	2,133	96	2,101
4	787	21	1,583	197	— 19	364	2,195	77	2.384
1974 *1*	174	23	1,774	278	— 16	351	2,092	93	3,056
2	1,018	— 19	1,726	164	— 16	333	2,111	81	3,342
3	680	— 24	1,902	119	— 17	352	2,129	76	2,991
4	395	— 4	2,197	208	— 17	367	2,145	83	2,608
1975 *1*	— 35	— 62	2,452	209	— 8	331	2,157†	173	2,443
2	446	34	2,302	177†	— 6	371	2,052	62	2,237
3	455	— 19	2,392	133	— 2	498	2,072	85	2,294
4	669	— 45	2,690	123	—	398	2,362	83	2,401
1976 *1*	274	— 1	2,755	235	— 32	405	2,652	102	2,664
2	664†	— 29	2,654	241	— 32	433	2,951	97	3,041
3	403	— 32	2,581	209	— 32	591	2,898	74	3,368
4	844	—105	2,643	325	— 33	474	3,278	87	3,654†
1977 *1*	983	— 58	2,663	348	— 20	452	3,378	67	3,973
2									

	Personal sector			Net acquisition of financial assets[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1973	5,798	—346	3,062	—2,785	—523	43	2,390	811	64
1974	8,552	—318	2,934	—5,356	—700	—3,187	5,300	3,455	488
1975	10,972	—295	3,604	—8,393	—973†	— 329†	7,073	1,650	972†
1976	12,174†	— 64	4,410†	—8,615†	—1,022	— 588	7,700†	1,476	1,049
1972 *3*	1,049	— 88	704	— 409	— 56	405	257	105	—302
4	1,263	— 83	751	— 572	— 45	390	429	5	—207
1973 *1*	1,018	—101	793	— 712	— 35	— 105	124	176	552
2	1,683	— 75	706	— 659	—139	132	902	51	—287
3	1,498	— 90	806	— 639	—163	128	602	236	—164
4	1,599	— 80	757	— 775	—186	— 112	762	348	— 37
1974 *1*	1,803	—100	744	—1,577	— 89	— 871	959	877	701
2	1,813	— 75	751	— 727	—185	—1,150	987	916	159
3	2,261	— 75	695	—1,246	—250	— 786	1,491	812	— 21
4	2,675	— 68	744	—1,806	—176	— 380	1,863	850	—351
1975 *1*	2,764	—103	793	—2,549	—131†	— 113†	1,868	541	384†
2	2,527	— 90	875	—1,822	—200	— 123	1,562	309	274
3	2,893	— 64	940	—1,956	—367	— 137	1,889	579	— 8
4	2,788	— 38	996	—2,066	—275	44	1,754	221	322
1976 *1*	2,977†	— 69	1,012	—2,482†	—202	90	1,896†	121	577
2	3,109	— 36	1,030	—2,019	—224	7	2,043	401	—208
3	3,409	— 10	1,123	—2,210	—414	— 396	2,276	543	201
4	2,679	51	1,245†	—1,904	—182	— 289	1,485	411	479
1977 *1*	2,857	11	1,178	—1,738	—124	— 528	1,690	327	373
2									

[1] Excluding financial transactions in writing-off debt. [2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress. [4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation *less* increase in value of stocks and work in progress. [5] Equals apart from the change in sign, the current balance of payments accounts, *plus* capital transfers. [6] The residual error in the national income accounts.


£ million, seasonally adjusted
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
−2,500
1971
1972
1973
1974
1975
1976
1977

Appropriation account of industrial and commercial companies

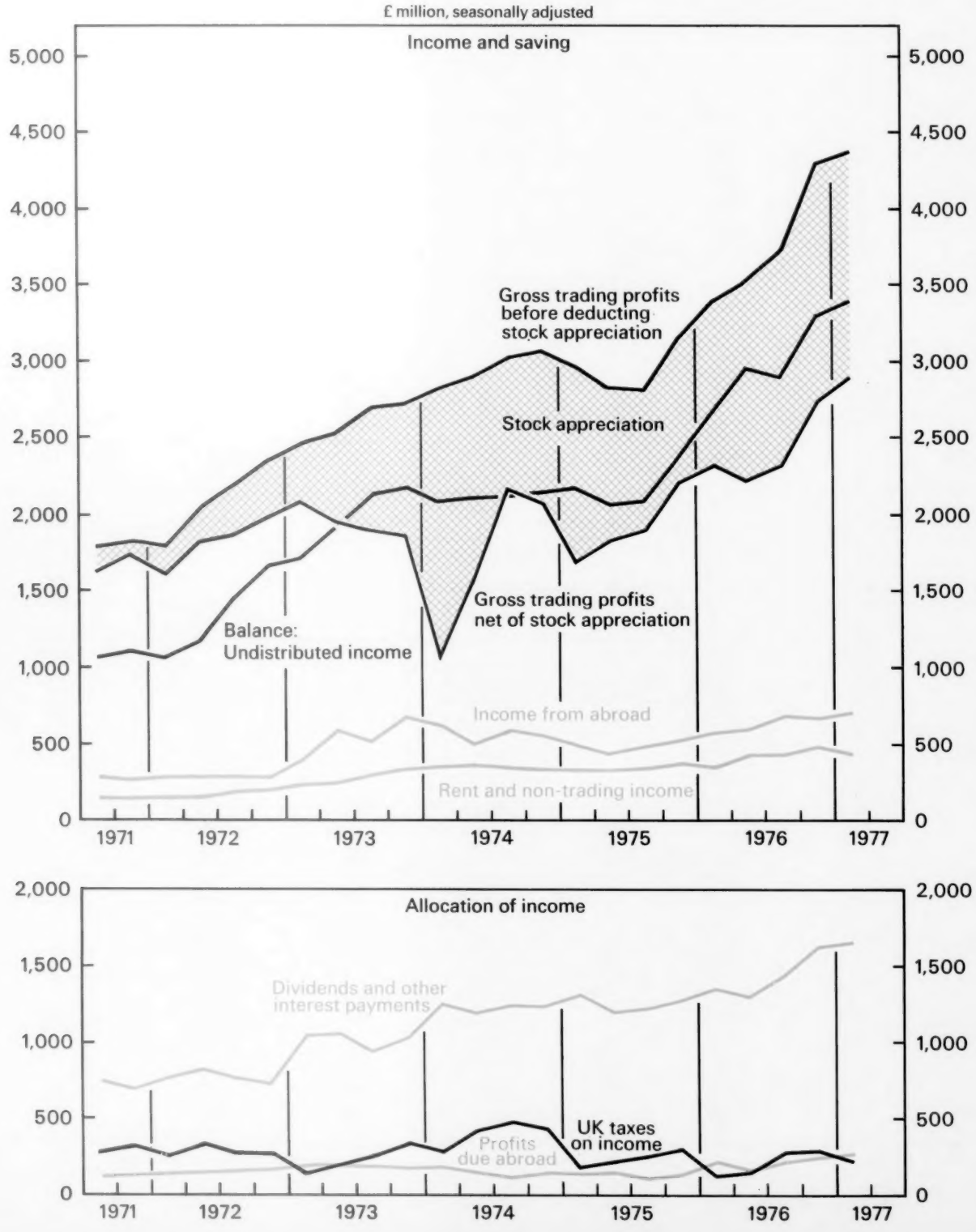
£ million Seasonally adjusted

	Income							Allocation of income						
	Income arising in the United Kingdom							Dividends and interest, etc.						
	Gross trading profits			Rent and non-trading income										
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[6]
1966	5,967	4,671	298	4,969	356	99	642	1,509	923	555	199	509	2,827	*460*
1967	6,033	4,854	148	5,002	368	95	663	1,463	941	548	206	771	2,652	*515*
1968	6,867	5,193	470	5,663	448	138	756	1,434	1,067	656	312	814	3,240	*702*
1969	7,246	5,211	590	5,801	497	165	948	1,554	1,220	757	260	920	3,292	*812*
1970	7,715	5,294	891	6,185	505	151	1,025	1,378	1,304	802	322	1,264	3,447	*1 037*
1971	8,621	6,244	831	7,075	520	137	1,026	1,530	1,320	792	399	1,198	4,174	*1,329*
1972	10.094	7,284	1,067	8,351	632	196	1,111	1,524	1,515	969	551	1,123	5,381	*1,582*
1973	13,577	7,824	2,546	10,370	1,044	503	2,163	1,638	2,369	1,805	670	923	7,977	*2,344*
1974	15,466	6,892	4,908	11,800	1,340	695	2,326	1,517	3,345	2,716	532	1,595	8,477	*3,992*
1975	14,953†	7,632	4,107	11,739	1,330	618	1,884†	1,623	3.309	2,671	456	922	8 643†	*3,393†*
1976	19,039	9,527†	5,389†	14,916†	1,633	795	2,490	1,845	3,811	3,115	790†	814†	11,779	*3,889*
1971 *3*	2.176	1,637	154	1,791	130	33	255	403	330	194	99	275	1,069	*348*
4	2,211	1,747	83	1,830	129	30	252	356	321	189	105	314	1.115	*361*
1972 *1*	2,199	1,611	189	1,800	133	29	266	435	320	190	126	250	1,068	*358*
2	2,470	1,819	227	2,046	142	37	282	460	353	225	134	337	1,186	*354*
3	2,625	1,875	293	2,168	170	60	287	346	408	265	147	269	1,455	*413*
4	2,800	1,979	358	2,337	187	70	276	283	434	289	144	267	1,672	*457*
1973 *1*	3,070	2,091	364	2,455	218	93	397	531	498	383	174	135	1,732	*480*
2	3,330	1,956	558	2,514	231	102	585	503	538	399	173	199	1,917	*480*
3	3,475	1,901	789	2,690	275	135	510	314	613	452	165	250	2,133	*610*
4	3,702	1,876	835	2,711	320	173	671	290	720	571	158	339	2,195	*774*
1974 *1*	3,778	1,083	1,740	2,823	344	185	611	468	769	644	171	278	2,092	*934*
2	3,837	1,567	1,332	2,899	348	190	590	345	833	660	137	411	2,111	*1,059*
3	3,924	2,160	854	3,014	333	170	577	353	873	691	96	473	2.129	*1,024*
4	3,927	2,082	982	3,064	315	150	548	351	870	721	128	433	2,145	*975*
1975 *1*	3,754†	1,691	1,269	2,960	313	143	481†	454	840	704	125†	178	2,157†	*882†*
2	3,562	1,834	984	2,818	321	146	423	356	824	646	126	204	2,052	*846*
3	3,622	1,900	911	2,811	338	158	473	386	818	635	99	247	2,072	*971*
4	4,015	2,207	943	3,150	358	171	507	427	827	686	106	293	2,362	*694*
1976 *1*	4,311	2,308	1,091	3,399	345	149	567	516	822	666	201	120†	2,652	*890*
2	4,518	2,212	1,302	3,514	411	199	593	395	890	679	147	135	2,951	*921*
3	4,791	2,302	1,411	3,713	410	201	668	436	982	782	202	273	2,898	*1,108*
4	5,419	2,705†	1,585†	4,290	467	246	662	498	1,117	966	240	286	3,278	*970*
1977 *1*	5,485	2,886	1,479	4,365	421	208	699	590	1,046	835	253	218	3,378	*919†*
2														

Percentage change, quarter on corresponding quarter of previous year

1975 *3*	*− 7·7*	*−12·0*	*+ 6·7*	*− 6·7*	*+ 1·5*	*− 7·1*	*−18·0*	*+ 9·3*	*− 6·3*	*− 8·1*	*+ 3·1†*	*−47·8*	*− 2·7†*	*− 5·2*
4	*+ 2·2†*	*+ 6·0*	*− 4·0*	*+ 2·8*	*+13·7*	*+14·0*	*− 7·5†*	*+21·7*	*− 4·9*	*− 4·9*	*− 17·2*	*−32·3*	*+10·1*	*−28·8†*
1976 *1*	*+14·8*	*+36·3*	*−14·0*	*+14·8*	*+10·2*	*+ 4·2*	*+ 7·9*	*+13·7*	*− 2·1*	*− 5·4*	*+ 60·8*	*−32·6*	*+22·9*	*+ 0·9*
2	*+26·8*	*+20·6*	*+32·3*	*+24·7*	*+28·0*	*+36·3*	*+40·1*	*+11·0*	*+ 8·0*	*+ 5·1*	*+ 16·7*	*−33·8*	*+43·8*	*+ 8·9*
3	*+32·2*	*+21·2*	*+54·9*	*+32·1*	*+21·3*	*+27·2*	*+41·2*	*+13·0*	*+20·0*	*+23·2*	*+104·0*	*+10·5*	*+39·9*	*+14·1*
4	*+35·0*	*+22·6†*	*+68·1†*	*+36·2†*	*+30·4*	*+43·9*	*+30·6*	*+16·6*	*+35·1*	*+40·8*	*+126·4*	*− 2·4*	*+38·8*	*+39·8*
1977 *1*	*+27·2†*	*+25·0*	*+35·6*	*+28·4*	*+22·0*	*+39·6*	*+23·3*	*+14·3*	*+27·3*	*+25·4†*	*+ 25·9*	*+81·7*	*+27·4*	*+ 3·8*
2														

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as a memorandum item.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies payments and accruals of financial companies taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) *less* increases in balance of deductions of income tax, from interest payments and from wages and salaries under PAYE, over payments to the Inland Revenue. Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the first quarter of 1977 the amount of advance corporation tax included was £289 million. The seasonally adjusted series for all companies have been allocated between industrial and commercial companies and financial companies in proportion to the calendar year estimates of their accruals of taxes on income.
[5] Before providing for depreciation, stock appreciation and additions to reserves.
[6] This item is not now included in total income, but is shown merely as a memorandum item.


£ million, seasonally adjusted
Income and saving
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Gross trading profits before deducting stock appreciation
Stock appreciation
Gross trading profits net of stock appreciation
Balance: Undistributed income
Income from abroad
Rent and non-trading income
1971
1972
1973
1974
1975
1976
1977
Allocation of income
2,000
1,500
1,000
500
0
Dividends and other interest payments
UK taxes on income
Profits due abroad
1971
1972
1973
1974
1975
1976
1977

Sources and uses of capital funds of industrial and commercial companies

£ million

	Sources of funds						Uses of funds					
	Total	Undistributed income[1]	Capital transfers	Bank borrowing[2], loans and mortgages	UK capital issues by listed companies (net)	Overseas[3]	Taxes on capital and capital transfers	Gross domestic fixed capital formation	Increase in value of stocks and work in progress	Acquisition of financial assets: Liquid assets[4]	Acquisition of financial assets: Other[5]	Unidentified items (residual)
1972	10,473	5,381	409	3,146	616	921	29	3,796	943	2,348	1,895	1,462
1973	15,552	7,977	373	5,298	158	1,746	26	4,755	3,526	2,568	3,336†	1,344
1974	15,688	8,477	364	4,469	— 13	2,391	31	5,905	6,092	39	2,886	735
1975	12,976†	8,643†	442	900	1,037†	1,954	39	6,987	2,388	1,762	2,419	— 619
1976	18,301	11,779	401	3,023†	791	2,307	41	7,523†	5,187†	1,750†	3,901	— 101
1973 3	3,792	2,054	108	1,323	19	288	4	1,186	1,008	1,270	332	— 8
4	5,252	2,443	83	2,083	26	617	3	1,366	1,137	693	1,566	487
1974 1	4,102	1,638	105	1,463	— 6	902	16	1,269	1,564	— 265	655	863
2	4,203	2,392	83	1,221	— 13	520	3	1,393	1,903	232	284†	388†
3	3,641	1,943	87	989	14	608	6	1,516	1,578	18	491	32
4	3,742	2,504	89	796	— 8	361	6	1,727	1,047	54	1,456	— 548
1975 1	3,223†	2,012†	119	785	25	282	22	1,582	623	162	354	480
2	2,854	2,005	82	165	329	249	5	1,636	529	— 264	1,319	— 395
3	2,939	1,952	123	— 283	334†	828	6	1,940	482	1,396	— 336	— 534
4	3,969	2,674	118	233	349	595	6	1,829	754	468	1,082	— 170
1976 1	3,733	2,806	116	— 76	218	669	21	1,511†	802	83	959	357
2	4,856	2,874	99	971†	429	483	6	1,846	1,113	680†	1,220	— 9
3	4,128	2,535	90	800	129	569	7	2,082	1,458	686	338†	— 448
4	5,589	3,564	96	1,328	15	586	7	2,084	1,814†	301	1,384	— 1
1977 1	4,903	3,290	108	758	28	719	31	1,885	1,751	— 414	359	+1,291
2												

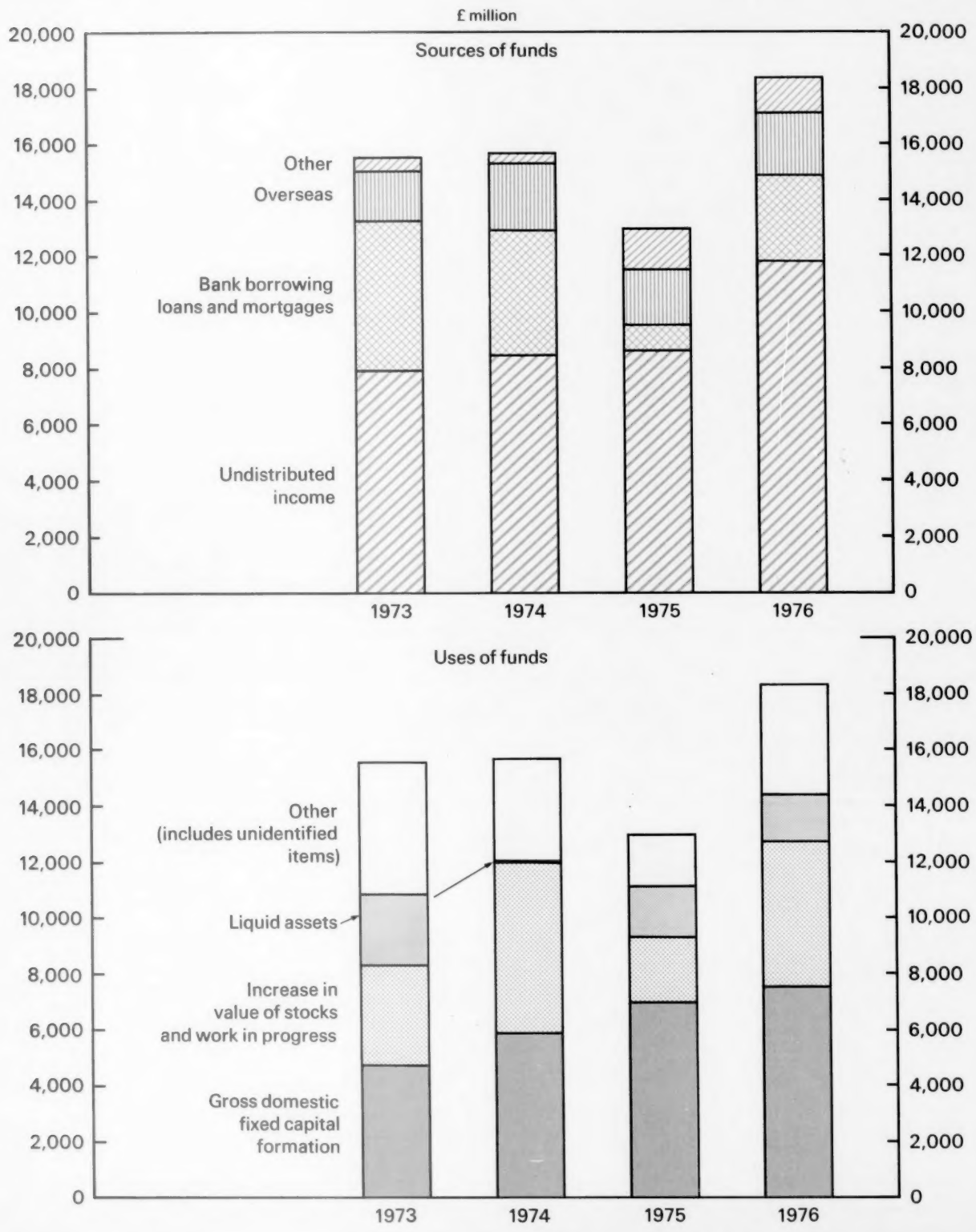
[1] Before providing for depreciation, stock appreciation and additions to reserves.
[2] After addition of 40 per cent of the excess of debit over credit transit items. [3] Other than investments included in UK capital issues.
[4] Bank deposits are included after subtraction of 60 per cent of the excess of debit over credit transfer items
[5] Including figures of large companies transactions in British government securities (for further information see *Financial Statistics: Notes and Definitions*).

Selected liquid assets of industrial and commercial companies

£ million

Amounts outstanding at end:	Local authority temporary debt	Deposits with banking sector[1],[2]	Deposits with building societies	Deposits with finance houses[1]	Other identified[1],[3]	Total identified[1]	Bank advances[1],[4]
1972 3	350	5,993	188	122	157	6,810	8,960
4	359	6,851	188	136	157	7,691	9,730
1973 1	395	7,230 / 7,225	183	164 / 162	88	8,060 / 8,053	10,551 / 10,649
2	472	7,202	200	166	87	8,127	11,370
3	488	8,487	175	186	85	9,421	12,561
4	483	9,126	160	169	85	10,023	14,421
1974 1	519	8,949	149	133	54	9,804	15,423
2	509	8,897	149	140	52	9,747	16,772
3	518	9,142	149	104	168	10,081	17,387
4	484	9,038	132	97	97	9,848	18,019
1975 1	424	9,336	123	128	58	10,069	18,316
2	415	9,269 / 9,473	136	138	115 / 112	10,073 / 10,274	19,049 / 17,489
3	434	10,409	135	124	385	11,487	17,562
4	459	10,767 / 10,757	135	141	355	11,857 / 11,847	17,679 / 17,727
1976 1	443	10,739	152	153	566	12,053	17,726
2	425	11,174	159	163†	700	12,621†	19,206
3	414	12,174	153	173	443	13,357	19,955
4	579	12,382	126	180	389	13,656	20,923
1977 1	477	11,962	126	171	380	13,116	21,298
2							

[1] The breaks in series result from further information regarding holdings by sector and changes to the banking and finance houses sectors.
[2] From 2nd quarter 1973 includes identified holdings of dollar certificates of deposit. [3] Treasury bills, tax reserve certificates, tax deposit accounts, and certificates of tax deposits.
[4] Including refinanceable export and shipbuilding credits with effect from mid-May 1972.


£ million
Sources of funds
Other
Overseas
Bank borrowing loans and mortgages
Undistributed income
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
1973
1974
1975
1976
Uses of funds
Other (includes unidentified items)
Liquid assets
Increase in value of stocks and work in progress
Gross domestic fixed capital formation

Bank lending[1] to UK residents

Seasonally adjusted[2]

£ million

	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1970	913	893	20	1,315	829	486
1971	1,666	1,648	18	1,856	1,625	231
1972	−1,026	−1,030	4	6,434	5,511	923
1973	1,995	1,134	861	6,828	5,671	1,157
1974	701	− 370	1,071	4,671	3,734	937
1975	3,364	3,081	283	139	− 386	525
1976	271	− 163	434	3,483	3,105	378
1972 *1*[4]	− 359	− 359	—	1,610	1,456	154
2	− 809	− 813	4	1,875	1,632	243
3	98	103	− 5	1,108	926	182
4	57	52	5	1,828	1,484	344
1973 *1*[4]	461	418	43	1,464	1,175	289
2	316	79	237	1,163	1,112	51
3	509	166	343	2,115	1,705	410
4	543	305	238	2,252	1,845	407
1974 *1*	116	− 147	263	1,267	944	323
2	− 390	− 606	216	1,590	1,365	225
3	48	− 52	100	1,398	1,250	148
4	927	435	492	416	175	241
1975 *1*	436	138	298	61	102	− 41
2[5]	1,224	1,236	− 12	285	46	239
3	1,642	1,642	—	− 171	− 485	314
4[4]	62	65	− 3	− 36	− 49	13
1976 *1*	148	131	17	104	127	− 23
2	− 154	− 208	54	905	943	− 38
3	949	791	158	1,146	935	211
4	− 482	− 687	205	1,138	910	228
1977 *1*	224	− 288	512	1,229	567	662
2						

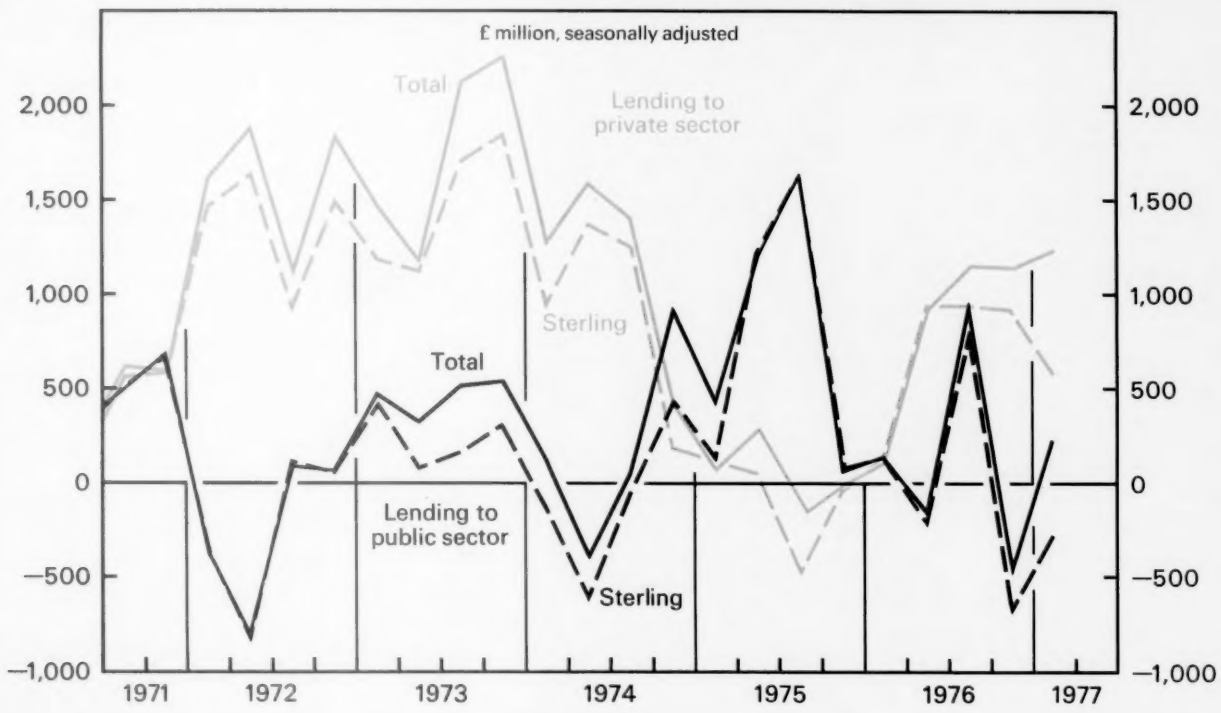
[1] UK banking sector: changes in assets.
[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.
[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.
[4] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.
[5] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

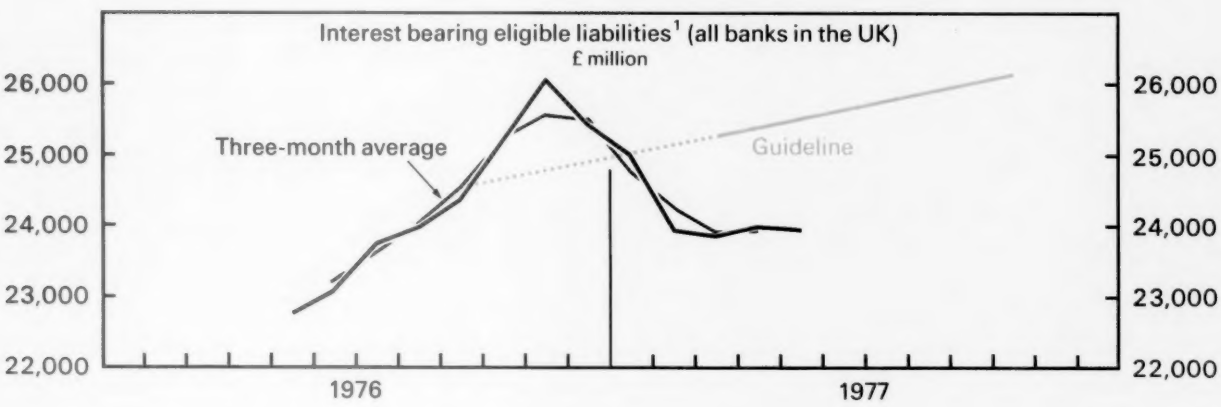
Banks' reserve ratio

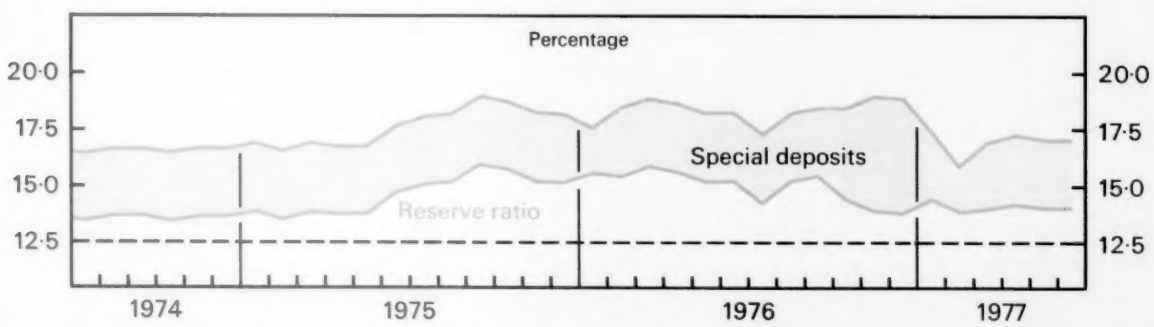
Unadjusted

	£ million		Per cent			£ million		Per cent		£ million
	Eligible liabilities	*of which:* Interest bearing[1]	Reserve ratio	Special deposits[2]		Eligible liabilities	*of which:* Interest bearing	Reserve ratio	Special deposits[2]	Supplementary deposits
At mid-month					**At mid-month**					
1975 *A*	32,322	22,135	13·7	3	1976 *M*	33,738	22,739	15·2	3	..
M	32,605	22,227	13·7	3	*J*	34,026	23,111	15·2	3	..
		22,721			*J*	34,987	23,761	14·2	3	..
J	32,371	22,477	14·6	3	*A*	35,184†	23,955†	15·1	3	..
J	33,205	23,151	15·0	3	*S*	35,795	24,390	15·4	3	..
A	33,044	22,767	15·1	3	*O*	36,622	25,215	14·4	4	..
S	32,987	22,851	15·9	3	*N*	37,260	26,068	13·9	5	..
O	33,367	22,986	15·7	3	*D*	36,877	25,424	13·8	5	..
N	33,451	23,033	15·2	3	1977 *J*	36,147	24,996	14·4	3	..
D	33,345	22,764	15·1	3	*F*	34,834	23,916	13·8	2	..
1976 *J*	33,046	22,509	15·5	2	*M*	34,977	23,840	13·9	3	..
F	33,204	22,929	15·4	3	*A*	35,843	24,010	14·2	3	..
M	33,106	22,551	15·8	3	*M*	35,824	23,940	14·0	3	1
A	33,907	22,803	15·6	3	*J*	36,275	24,217	14·0	3	—

[1] Banks in Northern Ireland were excluded up to the first figure for May 1975. [2] Not yet applicable to banks in Northern Ireland.







[1] Supplementary special deposits will have to be paid by banks and deposit-taking finance houses, according to growth in excess of the guideline, at rates of 5 per cent (up to 3 per cent excess), 25 per cent (over 3 and up to 5 per cent excess) and 50 per cent (above 5 per cent excess) of interest-bearing eligible liabilities.

Interest rates, security prices and yields

Percentage rate

		Last Friday							Last working day	Average of working days			
		Bank of England's minimum lending rate to the market[1]	Euro-dollar 3-month rate	Deposits with local authorities (3 months)[2]	London clearing banks: Base rate	London clearing banks: Deposit account: 7 days' notice[3]	Inter-bank (3 month rate)[4]	Sterling certificates of deposit (3 months)	Interest on US$ deposits in London (3 months)[5]	Building Societies Association recommended rate on shares[6]	British government securities 2½% Consols yield	*Financial Times* index of industrial ordinary shares (1 July 1935=100): Price index	Dividend yield	Earnings yield[7]
1966		7	6 9/16	7¼ – 7 5/16	7	5	7 5/16 – 7 3/8	..	6·56	4·25	6·80	331·9	5·98	8·52
1967		8	6 15/16	7 3/8 – 7 7/16	8	6	8 1/16 – 8 3/16	..	6·31	4·25	6·69	355·0	5·36	6·69
1968		7	7½	7¾	7	5	7 1/16 – 8	7 3/8 – 7 1/16	7·13	4·50	7·39	463·3	4·05	4·99
1969		8	11 5/16	9 – 9 1/16	8	6	9 3/8 – 9½	9 1/8 – 9¼	10·06	5·00	8·88	419·8	4·43	5·82
1970		7	7 7/16	7¼	7	5	7 1/8 – 7¼	7 3/16 – 7 5/16	6·56	5·00	9·16	361·0	4·75	6·54
1971		5	5⅜	4½ – 4⅝	4½	2½	4⅜ – 4½	4⅜ – 4⅜	5·75	5·00	9·05	386·2	4·76	6·21
1972		9	5 1/16	8¾	7½	5¾	8 7/8 – 9 1/16	8 1/16 – 9 1/16	5·91	5·25	9·11	503·8	3·26	4·98
1973		13	10⅜	16 –16½	13	9½	16 1/16–16 5/16	15¾ –16	10·19	7·50	10·85	435·6	4·12	..
1974		11½	10½	13½	12	9½	12 1/16–12 1/8	12⅜ –12¾	10·06	7·50	14·95	251 2	8·23	21·47
1975		11¼	6 1/16	11¼ –11⅜	11	7	11 1/16–11 3/16	11 –11⅛	5·88	7·00	14·66	311·0	6·81	19·49
1976			5 1/16							7·80				
1974	*A*	12	11⅜	13½ –13¾	12½	9½	13 7/16–13⅜	13 9/16–13 11/16	11·69	7·50	14·61	290·0	6·40	16·33
	M	11¾	11⅞	12⅞ –13	12	9½	12 1/16–12⅞	12¾ –12⅞	11·88	7·50	14·11	296·6	6·67	17·21
	J	11¾	13½	13¼ –13½	12	9½	13⅛ –13½	13 7/16–13 9/16	13·50	7·50	14·73	267·5	7·49	19·35
	J	11¾	13⅜	13⅜	12	9½	13⅜ –13 9/16	13 7/16–13 9/16	13·56	7·50	15·13	254·8	7·81	20·74
	A	11¾	13 1/16	12⅜ –12¾	12	9½	12½ –12⅝	12½ –12⅜	13·94	7·50	15·65	222·9	8·91	23·94
	S	11½	12 7/16	12¼	12	9½	11 13/16–12⅛	11⅞ –12	12·19	7·50	15·14	203·5	9·86	26·37
	O	11½	10 7/16	11⅜	12	9½	11½ –11⅜	11 9/16–11 11/16	10·12	7·50	15·93	199·4	10·12	27·16
	N	11½	10⅜	12¾ –12⅞	12	9½	12½ –12¾	12 9/16–12 11/16	10·62	7·50	16·89	181·0	11·09	30·10
	D	11½	10½	13¼	12	9½	12½ –12 13/16	12⅜ –12¾	10·06	7·50	17·10	160·1	12·59	34·19
1975	*J*	11	7 7/16	12 –12¼	11½	9½	11¾ –12	11 13/16–11 15/16	7·44	7·50	16·03	183·7	10·99	30·28
	F	10½	7 5/16	11½	11½	9	10¾ –11	10¾ –10⅞	7·31	7·50	14·94	262·6	7·56	21·66
	M	10	7⅛	10½	10½	7½	9⅞ –10 1/16	9⅞ –10	6·97	7·50	13·92	292·6	6·80	20·35
	A	9¾	6 13/16	9¾	9½	6¼	9 9/16– 9⅞	9 13/16– 9 15/16	6·94	7·50	14·58	314·9	6·51	19·30
	M	10	6 1/16	10	9½	6¼	9⅞ –10	9 13/16– 9 15/16	6·06	7·50	15·22	339·0	6·12	18·09
	J	10	6¾	9½ – 9⅝	9½	6¼	9⅜ – 9 13/16	9⅜ – 9¾	6·75	7·00	14·70	332·6	6·06	18·07
	J	11	7⅛	10½ –10⅝	9½	6¼	10⅜ –10 11/16	10¼ –10⅜	7·13	7·00	14·06	304·4	6·68	19·62
	A	11	7⅜	10½	10	6¼	10⅜ –10 9/16	10⅜ –10½	7·50	7·00	14·12	298·3	6·94	19·91
	S	11	7 17/32	10⅝ –10⅞	10	6¼	10½ –10 11/16	10⅜ –10⅜	7·53	7·00	14·03	328·9	6·31	17·58
	O	12	6 13/16	11⅝ –11¾	11	7	11 9/16–11¾	11 7/16–11½	6·81	7·00	14·90	341·9	6·14	16·88
	N	11½	7 1/16	11⅜ –11 7/16	11	7	11⅛ –11⅜	11 5/16–11 7/16	7·06	7·00	14·79	367·9	5·76	16·02
	D	11¼	6 1/16	11½ –11⅜	11	7	11 1/16–11 3/16	11 –11⅛	5·88	7·00	14·86	365·8	5·74	15·98
1976	*J*	10	5⅞	9⅞ – 9 15/16	10½	6½	9⅜ – 9 1/16	9 7/16– 9½	5·38	7·00	13·78	397·0	5·30	14·91
	F	9¼	5⅝	9 – 9⅛	9½	5½	8¾ – 8⅞	8 1/16– 8 3/16	5·63	7·00	13·54	404·2	5·17	14·99
	M	9	5 7/16	8⅜ – 8½	9½	5½	8 7/16– 8 1/16	8 7/16– 8 5/16	5·59	7·00	13·95	404·7	5·12	15·01
	A	10½	5 9/16	10⅛ –10¼	9½	5½	9 1/16–10 1/16	9⅞ – 9 15/16	5·53	7·00	13·97	406·0	5·13	15·17
	M	11½	6⅜	11¼ –11⅜	10½	6½	11¼ –11 1/16	11 3/16–11 7/16	6·63	6·50	13·72	406·6	5·26	15·19
	J	11½	6 1/16	11⅛ –11¼	10½	6½	11⅛ –11 7/16	11¼ –11⅜	6·09	6·50	14·01	378·6	5·69	16·14
	J	11½	5 13/16	11 3/16–11¼	10½	6½	11 3/16–11¼	11 3/16–11¼	5·78	6·50	13·95	383·8	5·74	16·44
	A	11½	5 11/16	11⅛ –11¼	10½	6½	11⅛ –11 5/16	11 3/16–11¼	5·69	6·50	14·11	368·1	6·03	17·55
	S	13	5⅝	12¾ –12⅞	12	8½	12½ –12¾	12½ –12⅝	5·59	6·50	14·47	344·0	6·52	19·23
	O	15	5 7/16	15½ –15⅝	14	11	15½ –15⅝	15 3/16–15½	5·44	6·50	15·43	293·6	7·61	23·07
	N	14⅜	5 5/16	15 –15¼	14	11	14⅜ –14 5/16	14 9/16–14 11/16	5·31	7·80	15·22	301·0	7·28	22·66
	D	14¼	5 1/16	14¾ –15	14	11	14⅛ –14⅜	14 1/16–14⅛	5·06	7·80	14·82	328·6	6·67	20·91
1977	*J*	12¼	5¼	12⅜ –13⅜††	13	9½	12⅛ –12⅜	12 –12 1/16	5·25	7·80	13·67	374·7	6·01	18·69
	F	12	5 3/16	11⅜	11½	8	11 3/16–11 5/16	11⅛ –11 3/16	5·19	7·80	13·47	393·8	5·83	18·77
	M	10½	5 7/32	9½ – 9⅝	9½	6½	9⅜ – 9 1/16	9 9/16– 9⅝	5·22	7·80	12·85	418·2	5·39	16·91
	A	8¼	5 5/16	8⅛	9	4½	7 1/16– 8 1/16	7 1/16– 7⅞	5·31	7·80	12·55	415·1	5·51	16·82
	M	8	6 1/16	7⅞ – 7⅞	8½	4	7 1/16– 7 1/16	7 1/16– 7⅜	5·88	7·00	12·41	456·7	5·08	15·54
	J	8	5 5/16	7⅞ – 8	8½	4	7⅜ – 8	7⅜ – 7 1/16	5·81	7·00	12·85	450·5	5·19	15·83

[1] Previously known as Bank rate. With effect from 13 October 1972, the Bank's minimum lending rate to the market will normally be ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ¼% above; the rate normally becomes effective, for lending by the Bank, from the following Monday. For changes in Bank rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics.*

[2] For a minimum term of 3 months and thereafter at 7 days' notice.

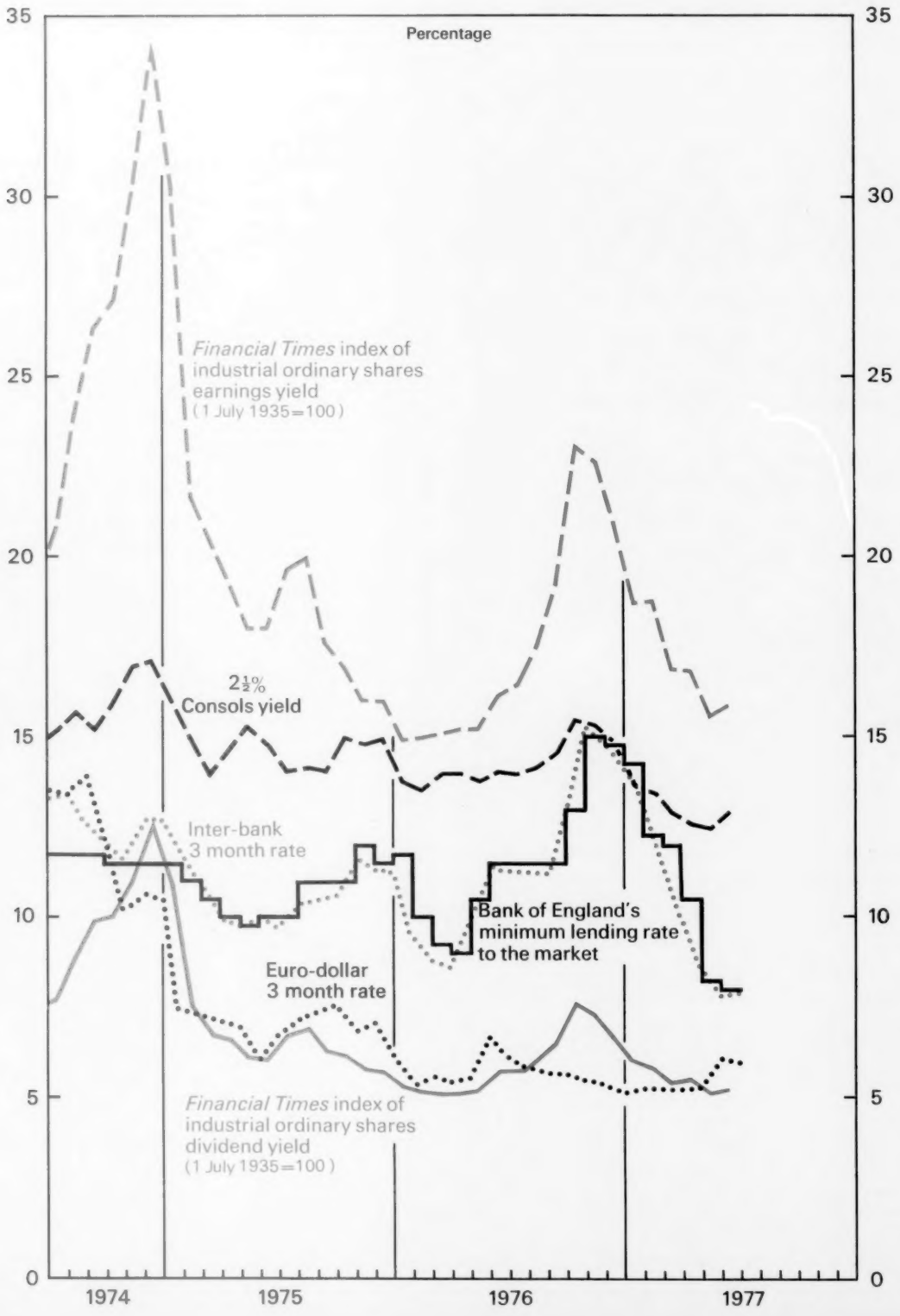
[3] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[4] Spread of rates over the day in the inter-bank sterling market.

[5] Middle-closing.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Notes and Definitions.* No meaningful average for the month of February is therefore available.


Percentage
35
30
25
20
15
10
5
0
1974
1975
1976
1977
Financial Times index of industrial ordinary shares earnings yield (1 July 1935=100)
2½% Consols yield
Inter-bank 3 month rate
Bank of England's minimum lending rate to the market
Euro-dollar 3 month rate
Financial Times index of industrial ordinary shares dividend yield (1 July 1935=100)

Cyclical indicators for the UK economy

Recent movement of the indicators

(data available to 11 July 1977)

In June the composite index of longer leading indicators rose again as it has done in each month since November 1976. After smoothing, the two series available for June, the short-term interest rate and the *Financial Times* – Actuaries share price index, both contributed to the rise. The addition of the first quarter figure for the net acquisition of financial assets by industrial and commercial companies has, however, resulted in a downward revision to this index so far this year.

In May the composite index of shorter leading indicators was little changed. Addition of the first quarter estimate for Gross Trading profits after Stock Appreciation has confirmed that this composite index has risen virtually unchecked since mid-1975.

Addition of the estimates for gross domestic product in the first quarter has not altered the downward movement of the composite coincident index in the period since November 1976. This index is currently only a little higher than a year ago.

Having risen steadily since July 1976, the composite index of lagging indicators faltered in June. It is, however, based on only two series in the most recent month, and has been affected by the renewed increase in unemployment and drop in notified vacancies.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude and inversion where appropriate.

Note: A change in the law concerning insolvencies has resulted in a sharp fall in the number of bankruptcies in the first quarter of 1977. This value has been ignored in the tables and charts as it would distort the behaviour of the shorter leading composite index.

Most recent values of the composite indices[2]

January 1970 = 100

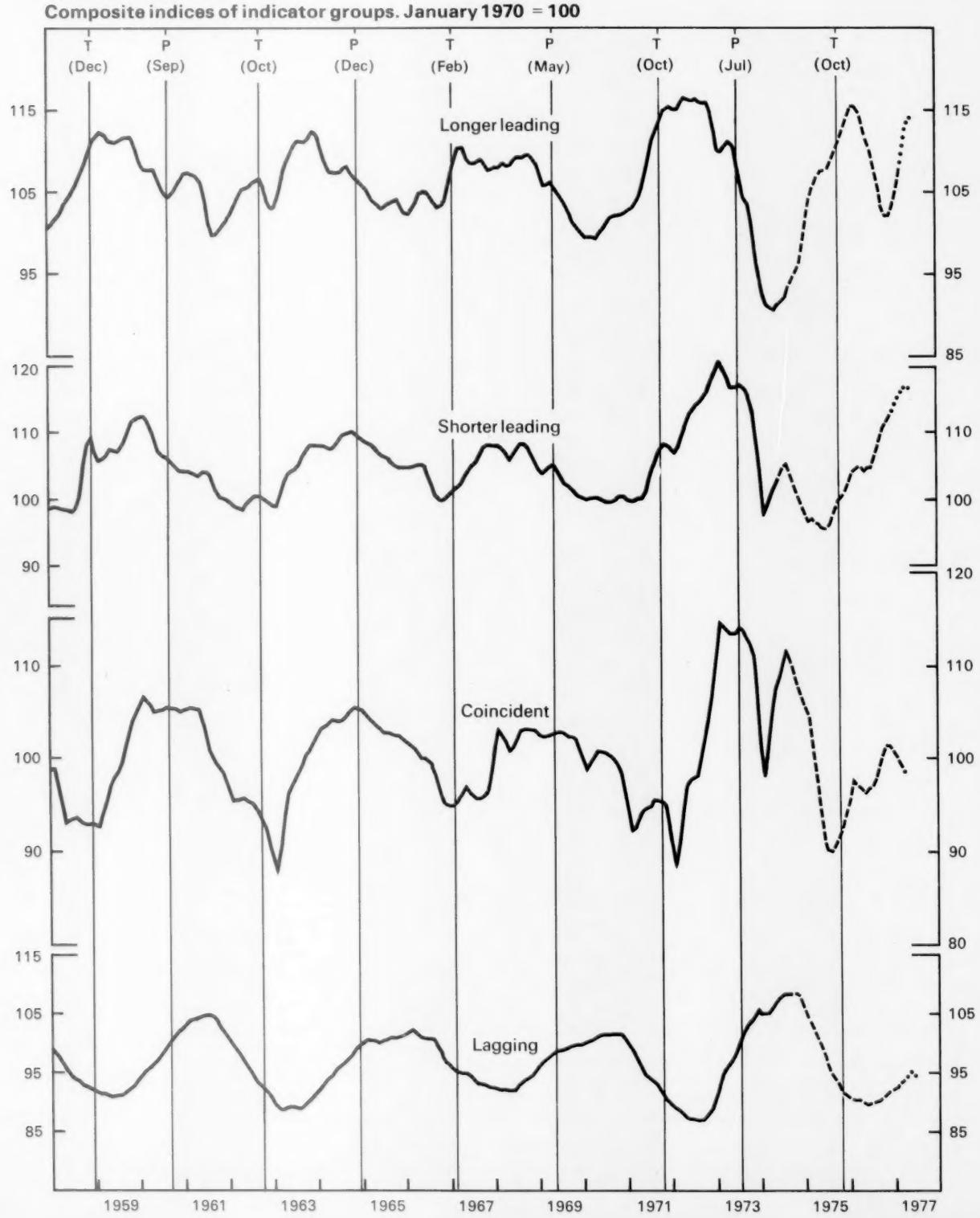
	1976						1977					
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June
Longer leading	109·9†	108·1	106·0	103·1	101·9	102·0	103·2	105·2	107·6	110·7	113·2	114·0
	4	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*3*	*3*	*2*
Shorter leading	104·5†	106·4	108·3	110·5	111·2	112·4	113·4	114·9	115·7	116·6	116·5	
	5	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*4*	*2*	*2*	
Coincident	96·8†	97·6	99·1	100·5	101·4	101·2	100·7	99·9	99·2	98·4		
	6	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*3*		
Lagging	89·9†	90·2	90·5	91·1	91·7	92·0	92·5	93·2	93·7	94·3	95·1	94·4
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*2*	*2*	*2*

[1] A full explanation of the methodology used is given in *Economic Trends* for March 1975 and May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO Press Office 01–233 6193.

Cyclical indicators

Composite indices of indicator groups. January 1970 = 100



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1970 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1966 to 2nd quarter 1976	1·4	1·0	0·8	1·2	2	0·6
Income based	6	" " " " " " "	1·3	0·9	0·9	1·0	2	0·4
Output based	6,28	" " " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " " "	1·2	0·8	0·8	1·0	2	0·4
Consumers' expenditure	8,10	" " " " " " "	1·2	0·7	0·8	0·9	1	0·9
Fixed capital formation								
Total	8,16	" " " " " " "	2·0	1·6	1·1	1·5	2	0·6
Manufacturing industry	18	" " " " " " "	3·4	2·6	2·4	1·1	2	0·3
Stockbuilding[2]								
Total	8,22	" " " " " " "	*104·3*	*75·7*	*60·8*	1·2	2	0·6
Manufacturing	22	" " " " " " "	*79·2*	*52·6*	*39·7*	1·3	2	0·6
Exports: goods and services	8	" " " " " " "	3·8	2·9	2·1	1·4	2	0·6
Imports: goods and services	8	" " " " " " "	3·0	2·2	1·8	1·2	2	0·5
Personal disposable income	10	" " " " " " "	1·8	1·3	1·1	1·2	2	0·5
Other national income series								
Gross trading profits of companies	58	" " " " " " "	4·4	2·6	3·2	0·8	1	0·8
Other quarterly series								
Construction output†	30	1st quarter 1963 to 4th quarter 1976	2·0	1·2	1·4	0·9	1	0·9
Money stock (M_3)[3]	50	1st quarter 1963 to 4th quarter 1974	2·7	0·5	2·7	0·2	1	0·2
Monthly series								
Retail sales								
Total: current prices	12	January 1961 to November 1976	1·0	0·6	0·7	0·9	1	0·9
Total: constant prices	5,12	" " " " "	0·7	0·6	0·3	2·5	3	0·9
Food shops	12	" " " " "	0·6	0·6	0·2	3·3	4	0·9
Clothing and footwear shops	12	" " " " "	2·1	2·0	0·3	6·0	6	
Durable goods shops	12	" " " " "	1·8	1·6	0·7	2·1	3	0·8
Other non-food shops	12	" " " " "	1·1	1·0	0·4	2·7	3	0·9
Cars: new registrations	5,12	January 1971 to December 1976	7·6	7·2	1·9	3·8	5	0·9
Housing: public authorities[4]								
Starts	20	January 1956 to December 1976	11·7	11·4	1·7	6·8	6	
Completions	20	" " " " "	7·9	7·7	1·1	7·2	6	
Housing; private								
Starts	20	" " " " "	8·2	7·8	2·4	3·3	4	0·9
Completions	20	" " " " "	6·0	6·0	0·9	6·4	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1968 to August 1976	1·0	0·9	0·4	2·6	4	0·8
Manufacturing industries	26	" " " " "	1·2	1·1	0·4	2·8	4	0·7
Passenger car production:								
Home market	32	January 1968 to October 1976	11·8	11·7	1·9	6·1	6	
Export	32	" " " " "	10·9	10·8	0·9	12·6	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·5	9·2	1·4	6·4	6	
Export	32	" " " " "	10·8	10·5	1·5	7·1	6	
Unemployed excluding school-leavers[5]†	5,36	January 1961 to October 1976	*13·8*	*4·9*	*12·6*	0·4	1	0·4
Vacancies notified to employment offices[5]†	5,36	July 1960 to October 1976	*6·0*	*2·5*	*5·4*	0·5	1	0·5
Average earnings all industries and services covered	5,40	January 1963 to June 1976	1·0	0·4	0·9	0·5	1	0·5
Exports: value, f.o.b.†	5,46	January 1964 to December 1976	3·1	2·7	1·3	2·0	2	0·9
Imports: value, f.o.b.†	5,46	" " " " "	2·9	2·6	1·4	1·9	2	0·9

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in the August 1972 issue of *Economic Trends*. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3] and [5].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

Articles

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National income and expenditure in the first quarter of 1977[1]

This article presents quarterly estimates of national income and expenditure up to the first quarter of 1977. Provisional summary estimates of gross domestic product were issued by press notice on 22 June 1977, and the main aggregates shown in this article are little changed. The figures now incorporate the later estimates of fixed investment and stockbuilding for the first quarter which were issued by the Department of Industry in a press notice on 30 June 1977 together with other revisions which were incorporated in the national income and expenditure press notice issued on 8 July 1977.

In commenting on the quarterly and annual national accounts estimates given in this article, usually only qualitative guidance is given on the relative reliability of different series. Special attention needs to be drawn, however, to the higher margins of error which should be attached to the series estimated at constant prices during periods when the rate of change in prices is relatively large. This point was referred to in an article describing the special problems of estimation which arose in 1972, where mention was made of the significantly higher rate of inflation occurring during the years 1970–72 compared with earlier periods. Subsequently the rate of change in prices reached even higher levels and the estimates at constant prices should therefore be regarded as subject to greater margins of error than in earlier years.

[1] A general description of national income statistics, together with details of the sources, methods and definitions used in making the estimates, is given in *National Accounts Statistics: sources and methods* (HMSO 1968). Subsequent changes are described in the notes to the 1975 Blue Book.

Gross domestic product

The output measure of gross domestic product (GDP) rose by about ½ per cent in the first quarter of 1977. This measure is usually regarded as the best indicator of short term movements in GDP, and the latest rise follows an increase of about 1½ per cent in the previous quarter. However both the income measure and the expenditure based estimate fell back in the first quarter by about 1½ per cent, so that the average estimate fell in quarter one. On the longer view, there is good evidence of an upturn in economic activity towards the end of 1976 and into 1977: the average estimate of GDP is about 1 per cent higher in the six months up to quarter one 1977 than in quarters two and three of 1976 taken together, and this picture is not inconsistent with the three individual measures.

Gross domestic product at factor cost, total home costs, and national disposable income revalued at constant market prices[1]

Seasonally adjusted

Index numbers, 1970 = 100

	Gross domestic product							National disposable income
	At current prices		At 1970 prices				Implied index of total home costs	
	Based on expenditure data	Based on income data	Based on expenditure data	Based on income data[2]	Based on output data	Average estimate		At 1970 market prices[3]
1974	169·1	167·6	110·5	109·6	109·7	109·9	152·9	104·9
1975	214·1	211·4	108·5	107·2	107·4	107·7	197·4	104·7
1976	247·8	244·9	109·9	108·6	108·2	108·9	225·4	106·1
1975 *1*	199·2	195·3	110·6	108·4	109·7	109·5	180·1	..
2	208·8	205·9	108·2	106·7	107·2	107·4	193·1	..
3	217·6	217·2	106·8	106·6	106·3	106·6	203·8	..
4	230·9	227·3	108·6	107·0	106·6	107·4	212·5	..
1976 *1*	238·1	232·4	111·0	108·3	108·1	109·1	214·6	..
2	240·4	241·8	108·2	108·8	107·7	108·2	222·2	..
3	250·8	248·4	109·2	108·2	107·6	108·3	229·6	..
4	262·0	257·1	111·3	109·2	109·3	110·0	235·4	..
1977 *1*	266·9	262·7	109·6	107·8	109·8	109·1	243·6	..
1975 1st half	204·0	200·6	109·4	107·6	108·4	108·5	186·6	104·9
2nd half	224·3	222·2	107·7	106·8	106·5	107·0	208·2	104·6
1976 1st half	239·3	237·1	109·6	108·5	107·9	108·7	218·4	106·1
2nd half	256·4	252·7	110·2	108·7	108·4	109·1	232·5	106·2

[1] These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Income data deflated by the index of total home costs derived from expenditure data. [3] Half yearly estimates only.

In the first quarter the index of total home costs (derived from the expenditure based measure at current and constant prices) rose by about 3½ per cent. This index was up about 6 per cent in the latest six month period, compared with the previous six months.

Estimates of gross domestic product at current and constant prices, total home costs and gross national disposable income at constant prices are given as index numbers in the tables on page 71.

Expenditure (Table 1)

The expenditure based measure fell by about 1½ per cent in the first quarter following rises in each of the two previous quarters. For reasons thought to be associated with problems in the timing of recording components of the expenditure measure, quarterly movements in this series tend to be erratic: consequently more reliance is put on longer term comparisons. For quarters one and four together, the expenditure measure was about 2 per cent higher than in the preceding six month period. There was a substantial increase in stockbuilding over this period, more than offsetting the 5 per cent fall in fixed investment that occurred; but there was only a small increase in consumers' expenditure, and none at all in the current expenditure of general government on goods and services. The volume of exports increased by about 3½ per cent compared with a 2 per cent rise in the volume of imports. Both the change in the volume of imports, and the fall in fixed investment, over this six month period are affected by the deliveries of oil platforms during the summer months of 1976.

Factor incomes (Table 2)

Total domestic income rose by about 2½ per cent in the first quarter of the current year, following a rise of about 4 per cent in the previous quarter. Income from employment, the largest component of total domestic income, rose about 2½ per cent in quarter one following a rise of about 1 per cent in the previous quarter. Taking the six months comparison between quarters one and four and the previous six month period, total domestic income increased by 6½ per cent, with income from employment up by 3½ per cent. Partly due to a significant increase in profits from North Sea operations, company profits were about 22½ per cent higher in the latest six months, although adjusted for stock appreciation, the rise is more substantial at about 30 per cent. The share of company profits in total domestic income, after both have been adjusted for stock appreciation, increased from 6·5 per cent in quarters two and three 1976 to 7·9 per cent in the latest six month period, although this is still, historically, a low share. On provisional estimates, rent and self employment income rose around 5 per cent in the latest six months.

Output (Table 3)

The output measure of gross domestic product rose by about ½ per cent in the first quarter. On the six month comparison the output measure is now showing a growth of about 2 per cent. Although industrial output was virtually unchanged in the first quarter, manufacturing industries' output increased by about 1 per cent; there was a sharp fall in the output of the construction industry of about 7½ per cent. The output of North Sea operations boosted the mining and quarrying index by about 10 per cent in the first quarter following a similar rate of increase in the previous quarter. The output of the distributive trades fell by about 2 per cent in quarter one in line with the sluggish picture for retail sales, but in contrast activity in transport and communications increased by a similar amount, and business activities boosted other services.

Total personal income increased by about 2½ per cent in the first quarter, a similar rate of increase to that in the previous two quarters. Civilian wages and salaries, which is the biggest component of personal income, also increased by 2½ per cent in quarter one. The only item of personal income to show a rapid rise was receipts of national insurance benefits and other government grants to persons, which increased by about 6 per cent on the quarter. In the sixmonth period up to the end of March 1977, total personal income increased by 5 per cent, with civilian wages and salaries up about 3½ per cent and current grants from public authorities up by about 9½ per cent.

Although payments of income tax rose sharply by about 4 per cent in the first quarter, national insurance contributions were virtually unchanged, so that personal disposable income increased by around 2½ per cent, approximately in line with total personal income. Taking quarters four and one together and comparing them with the immediately preceding six month period, payment of tax and national insurance contributions combined rose by about 6½ per cent, while personal disposable income, after deducting these items, increased by about 4½ per cent.

Consumers' expenditure at current prices increased by only 2 per cent in the first quarter, slightly more slowly than personal disposable income. However, with consumer prices rising more rapidly than personal income, real personal disposable income fell again in the first quarter by about 2 per cent, following the fall of about 3 per cent in the fourth quarter. In the six months to the end of March, real personal disposable income fell by about 3 per cent from the level of the preceding six months. Over the same period, with consumers' expenditure rising more quickly than personal disposable income, the savings ratio fell from about 15 per cent to a little over 12 per cent.

In volume terms there was a sharp fall of about 2½ per cent in consumers' expenditure in the first quarter of 1977, following rises of about 1 per cent each in the previous two quarters. Contributing largely to this fall was a drop of about 7½ per cent in beer consumption and 17 per cent in expenditure on other alcoholic drinks. The latter was, however, from a high fourth quarter level achieved partly because of anticipatory buying before the December budget. Since the estimate of the extent of consumers' advance buying in quarter four depends upon a very uncertain estimate for changes in distributors' stocks, the change between the fourth and first quarters should be treated with caution. Falls were also recorded in expenditure on tobacco, down around 5 per cent, and radio and electrical goods, down about 9 per cent. Taking the six month comparison between quarters one and four and the previous six month period, consumers' expenditure as a whole increased just ½ per cent; expenditure on cars shows the biggest increase over this period of 19 per cent, although there was no change in the level of expenditure on house-

hold durables. Expenditure on fuel and lighting increased by about 10 per cent, although this rise was partly attributable to the unusually low levels of consumption during the summer of 1976. Partly as a consequence of the faster rate of increase of food prices than of prices generally, food consumption fell about 2 per cent over this period.

Industrial and commercial companies sector (Table 6)

The total income of industrial and commercial companies, defined to exclude taxes paid abroad, was little changed in the first quarter, but in the six month period up to the first quarter total income was about 17 per cent higher than in the previous six month period. Gross trading profits, after deducting stock appreciation, continued to advance strongly into the new year, and were about 24 per cent higher in the latest six month period. More than half of this increase in profits, however, was contributed by the profits from North Sea operations, which increased very rapidly in the latest six months, as can be seen from the table below. The rate of increase in stock appreciation moderated slightly in the first quarter but the amounts provided for stock appreciation were still 13 per cent higher on the six month comparison. Rent and non-trading income fell back in the first quarter from the high levels reached at the end of 1976, but for quarters four and one taken together, it was about 8 per cent higher than in the previous six month period.

	1976				1977
	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Gross trading profits of industrial and commercial companies[1] (seasonally adjusted)	2,308	2,212	2,302	2,705	2,886
Gross trading profits of MLH 104[1] (North Sea oil and gas)	66	74	105	223	419

[1] After deducting stock appreciation.

On the allocation of income side of the account, the payment of dividends maintained the rapid rate of increase of the fourth quarter into the first quarter of 1977: in the latest two quarters taken together payment of dividends on ordinary shares was up about 31 per cent on the previous six months. Other forms of interest payments were also showing a rapid increase on the six month comparison, at about 16 per cent, despite a drop in quarter one from the high levels reached at the end of last year. Because of the rapid rise in the various disbursement items of the industrial and commercial companies account, the balance of undistributed income rose less rapidly than total income, but still increased by about 14 per cent on the six month comparison.

Financial companies (Table 7)

The total income of financial companies was about 20 per cent higher in quarters four and one together than in the previous six month period. This increase was largely due to buoyancy in the interest receipts of the banking sector, which despite a fall in the first quarter, were still about 26 per cent higher on the six monthly comparison. On the allocation of income side of the account, there was a sharp drop in interest payments by the banking sector, and an increase of about 7 per cent by the building societies, which reflects the relative movements in the interest rates on offer by each sector to depositors. On the six month comparison however interest payments by the banking sector were up by about 28 per cent and those of the building societies by about 20 per cent.

Public corporations (Table 8)

Although the total income of public corporations only increased by about 2½ per cent in the first quarter, taking quarters four and one together the increase on the previous six months was about 21 per cent. As there was a slight drop in the level of subsidies over this period, the buoyancy in income was very largely due to an increase of about 20 per cent in the level of gross trading surpluses, with electricity and gas being the main contributors. With interest and dividend payments increasing only modestly by about 5½ per cent in the latest six month period, the balance of undistributed income is showing a substantial rise of about 38 per cent over this period.

Central government (Table 9)

Total receipts of central government increased only slowly in the first quarter, by about 2½ per cent. With taxes on income less insurance contributions virtually unchanged, this increase was contributed approximately equally by rent, dividends and interest and taxes on expenditure: the former increased by about 19 per cent, albeit from a rather low fourth quarter figure, while taxes on expenditure increased by about 4½ per cent. Taking quarters four and one together, total receipts of central government increased by about 8 per cent over the previous six month period, very largely due to a rise of about 9½ per cent in receipts of income tax, and of about 11 per cent in taxes on expenditure.

Total current expenditure increased by about 3 per cent in quarter one; with current expenditure on goods and services showing very little change, most of this increase was contributed by rises in national insurance benefits and current grants to local authorities, which increased by about 6 and 8 per cent respectively. Taking quarters four and one together, total expenditure shows an increase of about 7 per cent on the six month comparison, with current expenditure on goods and services increasing by about 5 per cent. On the same period of comparison, national insurance benefits were running about 10 per cent higher and current grants to local authorities about 11 per cent, while debt interest payments were about 13 per cent higher than in the previous six months. With central government expenditure rising more slowly than government receipts, the deficit on current account fell in the latest two quarters over the previous six month period, by about 18 per cent.

Local authorities (Table 10)

Total receipts of local authorities rose by 5 per cent in the first quarter following a similar rise in quarter four: this increase was almost entirely accounted for by a rise in current grants of central government which increased about 8 per cent in quarter one, roughly the same as it increased in the previous quarter. Current grants of central government are by far the largest component of receipts of local authorities accounting for over 50 per cent of all receipts. Taking quarters one and four together, total receipts increased about 7½ per cent in the six month period, with

current grants from central government up nearly 11 per cent. Rent, dividend and interest receipts were also buoyant, showing a 7 per cent increase on the six months, but income from rates increased only slowly over this period by about 1½ per cent.

On the expenditure side of the account there was a rise in total expenditure in the first quarter of about 2½ per cent following a rise of only 1 per cent in the previous quarter. With expenditure on education virtually unchanged and current expenditure on other goods and services down about 2½ per cent, this rise is almost entirely due to an increase of 15 per cent in payment of debt interest. Taking quarters one and four together and comparing it with the immediately preceding six month period, total current expenditure was up about 5½ per cent, the expenditure on education up by 4 per cent and other current expenditure on goods and services by 3½ per cent. Debt interest payments, which vary considerably from quarter to quarter, were only up by 11 per cent on the six month period. Because receipts of local authorities have risen much faster than expenditure in the last six months, the surplus on current account increased by 26 per cent over the previous six month period.

International transactions (Table 11)

The current account deficit fell to £330 million in quarter one, compared with £410 million in the fourth quarter of 1976. With the export of goods increasing rather faster than imports, the deficit on goods improved slightly in the first quarter, while the surplus on services increased by about £50 million. At 1970 prices exports of goods were virtually unchanged in quarter one, following a rise of about £130 million in the previous quarter. Imports of goods in quarter one were about £80 million up on the previous quarter. This increase was largely due to an exceptionally high level of imports in January 1977 following an exceptionally low level in December, and it is likely that the effects of the Christmas and New Year period were not sufficiently allowed for in the seasonal adjustment process. After rising steadily throughout 1976, the volume of exports of goods and services fell by about 1½ per cent in the first quarter of 1977, due to a drop of around 4 per cent in the services component; this fall reflects a lessening of tanker operations after the high level of activity in the fourth quarter ahead of the end-year oil price rise. On the six month comparison, the volume of exports of goods and services was up by about 3½ per cent, while the volume of imports increased by 2 per cent: the latter figure however is measured against a level in quarters two and three 1976 which was inflated by the importing of oil platforms during the summer months. In the latest six month period the current account deficit was £738 million, compared with £944 million in the previous six month period.

Summary capital account (Table 12)

In the six months to the end of March 1977, total domestic saving was £14,700 million, an increase of about 6 per cent on the preceding six month period. This increase was largely due to a strong rise in company saving of about 16 per cent which offset the fall of 15 per cent in personal sector saving. There was a substantial rise in the saving of public corporations over this period, and general government moved from a small level of dissaving in the earlier period to produce some £330 million of savings in the later six months. Over the same period, capital formation at current prices increased by about 10 per cent, largely due to a rise of 15 per cent for companies, although personal sector capital formation also rose strongly by about 12 per cent. There was a small fall in capital formation by public corporations and about a 5 per cent rise by general government. The continuing squeeze on savings of the personal sector, allied with its growth in capital formation lead to a dramatic fall of around 27 per cent in that sector's net acquisition of financial assets. For the public corporations, the strong rise in savings together with the small reduction in capital formation resulted in a substantial fall of 40 per cent in their financial deficit. The general government position was virtually unchanged over this period, while the financial deficit of companies increased by about 9½ per cent.

Gross domestic fixed capital formation (Tables 14 and 15)

Total fixed investment fell by about 3 per cent in the first quarter after a fall of about 3 per cent in the previous quarter. With no change in fixed investment by general government, the falls were accounted for by a drop of about 3 per cent in the private sector and a sharp drop of 8 per cent in the fixed investment of public corporations. This latter followed a rise in the previous quarter, whereas the private sector fall followed a fall of about 7 per cent in quarter four. Taking quarters four and one together, total fixed investment was down about 5 per cent on the six month period, with the private sector down about 7 per cent, general government about 4 per cent and public corporations fixed investment by 2 per cent.

Transport and communications, and distribution, were the only industries to show any increase in their level of fixed investment in the first quarter, with rises of around 15 per cent and 22 per cent respectively. Substantial falls in the level of fixed investment were recorded for public utilities, down 13 per cent, and 'other industries', down 11 per cent while investment in dwellings was also down 13 per cent in quarter one, the private sector falling by about 16 per cent and the public sector by about 11 per cent. Taking quarters one and four together and comparing them with the immediately preceding six month period, fixed investment in manufacturing industries is showing a modest rise of about 1 per cent, but investment in dwellings was down about 6½ per cent, and for public services by about 8 per cent. The overall fall in fixed investment on the six months comparison, of about 5 per cent, is exaggerated by the high levels of investment during quarters two and three 1976 which were inflated by the deliveries of oil platforms recorded during the summer months.

Value of physical increase in stocks and work in progress (Table 16)

On present estimates there has been a substantial rise of £255 million at 1970 prices in the first quarter, following a rise of £92 million in quarter four. A large part of this increase was in manufacturing, with substantial increases also in retailing and wholesaling, while other industries level of stocks fell by £57 million. The increase in the level of stocks in quarter one was more than three times the size of the fall in fixed investment in that quarter, and is presumably the result of increasing output in the face of sluggish demand.

Central Statistical Office

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*The tables show annual figures from 1970 and quarterly figures from 1974.

APPENDIX

Expenditure on the gross domestic product

TABLE 1

£ million

	Gross domestic product at factor cost[1]	Final expenditure on goods and services at market prices: Total (Unadjusted)	Total (Seasonally adjusted)	Consumers' expenditure	Current expenditure of general government[2]	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Taxes on expenditure	Subsidies
At current prices											
1972	55,039	76,881		39,785	11,772	11,680	57	13,587	13,715	9,262	1,135
1973	63,439	91,010		45,072	13,366	14,154	1,163[3]	17,255	18,900	10,133[3]	1,462
1974	73,521	109,248		51,811	16,637	16,690	1,147	22,963	27,270	11,438	2,981
1975	93,121	132,143		63,333	22,847	20,509	−1,300	26,754	28,848	14,154	3,980
1976	107,775	157,323		73,128	26,451	23,031	68	34,645	36,323	16,668	3,443
1975 *1*	21,041	29,727	30,758	13,910	5,414	4,941	− 670	6,132	6,881	2,916	1,111
2	22,348	31,900	32,010	15,476	5,429	4,736	− 351	6,610	7,014	3,521	983
3	23,684	33,901	33,848	16,281	5,822	5,330	− 244	6,712	7,408	3,745	936
4	26,048	36,615	35,527	17,666	6,182	5,502	− 35	7,300	7,545	3,972	950
1976 *1*	25,110	35,796	36,785	16,583	6,314	5,700	− 412	7,611	7,819	3,706	839
2	25,823	37,946	38,217	17,643	6,494	5,356	− 33	8,486	9,015	4,052	944
3	27,371	40,143	40,119	18,469	6,717	5,853	236	8,868	9,414	4,209	851
4	29,471	43,438	42,202	20,433	6,926	6,122	277	9,680	10,075	4,701	809
1977 *1*	28,332	42,090	43,150	18,901	7,024	6,090	111	9,964	10,356	4,318	916
Revalued at 1970 prices										Adjustment to factor cost[4]	
1972	45,282	66,684		34,440	9,725	9,862	39	12,618	12,986	8,416	
1973	47,997	71,625		36,003	10,123	10,283	1,127	14,089	14,657	8,971	
1974	48,062	71,798		35,590	10,328	10,124	602	15,154	14,855	8,881	
1975	47,204	69,905		35,234	10,797	9,991	− 680	14,563	13,890	8,811	
1976	47,803	71,452		35,290	11,057	9,556	− 2	15,551	14,592	9,057	
Unadjusted											
1975 *1*	11,598	17,145		8,511	2,696	2,615	− 278	3,601	3,421	2,126	
2	11,592	17,219		8,730	2,658	2,357	− 209	3,683	3,472	2,155	
3	11,651	17,350		8,729	2,695	2,510	− 143	3,559	3,533	2,166	
4	12,363	18,191		9,264	2,748	2,509	− 50	3,720	3,464	2,364	
1976 *1*	11,635	17,204		8,334	2,785	2,511	− 134	3,708	3,461	2,108	
2	11,587	17,474		8,616	2,740	2,270	− 42	3,890	3,684	2,203	
3	11,949	17,900		8,803	2,754	2,379	54	3,910	3,719	2,232	
4	12,632	18,874		9,537	2,778	2,396	120	4,043	3,728	2,514	
1977 *1*	11,501	17,408		8,269	2,782	2,283	104	3,970	3,807	2,100	
Seasonally adjusted											
1975 *1*	12,024	17,788		8,988	2,649	2,534	− 125	3,742	3,504	2,260	
2	11,759	17,301		8,833	2,676	2,474	− 267	3,585	3,373	2,169	
3	11,610	17,313		8,724	2,722	2,540	− 208	3,535	3,522	2,181	
4	11,811	17,503		8,689	2,750	2,443	− 80	3,701	3,491	2,201	
1976 *1*	12,069	17,781		8,811	2,747	2,460	25	3,738	3,459	2,253	
2	11,760	17,641		8,730	2,751	2,394	− 97	3,863	3,656	2,225	
3	11,875	17,871		8,824	2,778	2,392	− 22	3,899	3,739	2,257	
4	12,099	18,159		8,925	2,781	2,310	92	4,051	3,738	2,322	
1977 *1*	11,912	17,954		8,720	2,741	2,238	255	4,000	3,810	2,232	

[1] Equals total final expenditure on goods and services at market prices *less* imports of goods and services *less* adjustment to factor cost. Estimates of the gross domestic product at constant factor cost based on statistics of output and income are given in Table 3, and in the text of the article.

[2] Formerly public authorities' expenditure.

[3] The current price estimates for the second quarter of 1973 include a fall in the book value of stocks of £280 million reflecting tax rebated on the introduction of VAT; the rebate is also included as a deduction from taxes on expenditure and the estimate of gross domestic product at factor cost is thus not affected.

[4] This represents taxes on expenditure *less* subsidies valued at constant rates.

Factor incomes in the gross national product

TABLE 2

£ million

	Gross national product	Net property income from abroad	Gross domestic product at factor cost	Factor incomes: Total domestic income[1]	Income from employment[2]	Gross trading profits of companies[1]	Gross trading surplus of public corporations[1]	Gross trading surplus of general government enterprises[1,3]	Income from rent and self-employment[1]	*less* Stock appreciation	Residual error
1972	55,565	526	55,039	56,605	37,598	7,656	1,681	140	9,530	−1,335	− 231
1973	64,782	1,343	63,439	66,555	43,291	9,552	2,062	135	11,515	−3,180	64
1974	74,854	1,333	73,521	79,129	52,498	10,250	2,520	132	13,729	−6,091	483
1975	94,025	904	93,121	97,353	68,255	9,961	2,898	143	16,096	−5,203	971
1976	108,883	1,108	107,775	113,300	77,786	12,773	4,022	121	18,598	−6,557	1,032
Unadjusted											
1975 *1*	21,216	175	21,041	22,796	15,830	2,520	719	43	3,684	−1,635	− 120
2	22,547	199	22,348	23,527	16,516	2,403	621	26	3,961	−1,250	71
3	23,933	249	23,684	24,458	17,586	2,220	507	35	4,110	−1,135	361
4	26,329	281	26,048	26,572	18,323	2,818	1,051	39	4,341	−1,183	659
1976 *1*	25,339	229	25,110	26,655	18,395	2,873	940	48	4,399	−1,386	− 159
2	26,098	275	25,823	27,809	19,272	3,033	916	10	4,578	−1,627	− 359
3	27,699	328	27,371	28,402	19,866	2,972	821	38	4,705	−1,706	675
4	29,747	276	29,471	30,434	20,253	3,895	1,345	25	4,916	−1,838	875
1977 *1*	28,602	270	28,332	30,552	20,493	3,832	1,286	36	4,905	−1,912	− 308
Seasonally adjusted											
1975 *1*	21,857	196	21,661	22,914	15,945	2,519	693	43	3,714	−1,635	382
2	22,884	179	22,705	23,681	16,632	2,366	688	26	3,969	−1,250	274
3	23,899	240	23,659	24,801	17,661	2,372	605	35	4,128	−1,135	− 7
4	25,385	289	25,096	25,957	18,017	2,704	912	39	4,285	−1,183	322
1976 *1*	26,143	250	25,893	26,704	18,449	2,870	905	48	4,432	−1,386	575
2	26,415	281	26,134	27,969	19,395	2,988	988	10	4,588	−1,627	− 208
3	27,577	311	27,266	28,770	19,855	3,172	978	38	4,727	−1,706	202
4	28,748	266	28,482	29,857	20,087	3,743	1,151	25	4,851	−1,838	463
1977 *1*	29,304	281	29,023	30,532	20,546	3,806	1,206	36	4,938	−1,912	403

[1] Before providing for depreciation and stock appreciation.
[2] Wages and salaries, forces pay and employers contributions.
[3] Formerly gross trading profits of other public enterprises.

Index numbers of output at constant factor cost: seasonally adjusted

TABLE 3

1970 = 100

	Gross domestic product[1,2]	Agriculture, forestry and fishing	Industrial production[3]					Transport and communication	Distributive trades	Other services
			Total	Mining and quarrying	Manufacturing	Construction	Gas, electricity and water			
1970 weights	*1,000*	*30*	*438*	*16*	*327*	*64*	*31*	*85*	*104*	*343*
1972	104·4	108	102·5	84·1	102·1	104·9	111·4	106	107	106
1973	110·3	111	110·0	92·6	110·7	107·0	118·1	114	114	109
1974	109·7	116	107·0	78·8	109·1	97·9	118·7	114	113	110
1975	107·4	110	101·7	86·0	102·5	92·6	120·6	115	110	112
1976	108·2	102	102·2	89·2	103·4	88·9	123·9	116	111	114
Seasonally adjusted										
1975 *1*	109·7	115	105·5	87·3	107·3	92·8	122·5	116	113	112
2	107·2	112	100·8	85·4	101·4	92·6	119·4	115	111	112
3	106·3	109	99·8	84·4	100·3	92·6	117·1	115	108	113
4	106·6	106	100·8	86·8	101·0	92·1	123·5	113	108	113
1976 *1*	108·1	105	101·9	87·6	102·0	92·5	127·3	114	111	114
2	107·7	104	102·4	88·9	103·6	90·0	121·5	115	110	113
3	107·6	101	101·5	86·4	103·5	86·2	118·5	117	113	113
4	109·3	97	103·2	94·0	104·5	86·8	128·5	118	112	114
1977 *1*	109·8	99	103·3	103·1	105·4	80·3	127·8	120	110	116

[1] Alternative estimates of the gross domestic product are given in the text of the article and in Table 1.

[2] As from 1970 the gross domestic product is shown adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. The industrial production index and the index for manufacturing are not adjusted for this effect.

[3] These series may not be fully consistent with those shown on page 26, which include the latest information.

Personal income, expenditure and saving

TABLE 4

£ million

	Personal income before tax						Transfers abroad (net) and taxes paid abroad	UK taxes on income (payments)[6]	National insurance, etc. contributions	Total personal disposable income[7,8]	Consumers' expenditure	Balance: personal saving[8,9]		Personal disposable income at 1970 prices[10]
	Total[1]	Wages and salaries	Forces' pay	Employers' contributions[2]	Current grants from general government[3]	Other personal income[4,5]								
1972	54,238	33,163	862	3,573	5,853	10,787	74	6,592	3,333	44,239	39,785	4,454	*10·1*	38,296
1973	62,691	38,079	928	4,284	6,422	12,978	111	7,780	3,930	50,870	45,072	5,798	*11·4*	40,634
1974	75,913	45,900	1,078	5,520	7,878	15,537	110	10,440	5,000	60,363	51,811	8,552	*14·2*	41,465
1975	96,342	59,292	1,296	7,667	10,227	17,860	104	15,082	6,851	74,305	63,333	10,972	*14·9*	41,338
1976	111,362	66,830	1,428	9,528	12,837	20,739	86	17,548	8,426	85,302	73,128	12,174	*14·4*	41,165
Unadjusted														
1975 *1*	22,235	13,848	281	1,701	2,158	4,247	13	3,590	1,526	17,106	13,910	3,196	*18·7*	10,450
2	23,271	14,344	280	1,892	2,586	4,169	34	3,467	1,706	18,064	15,476	2,588	*14·3*	10,173
3	24,984	15,212	369	2,005	2,648	4,750	24	3,978	1,787	19,195	16,281	2,914	*15·2*	10,275
4	25,852	15,888	366	2,069	2,835	4,694	33	4,047	1,832	19,940	17,666	2,274	*11·4*	10,440
1976 *1*	26,607	15,873	340	2,182	3,106	5,106	45	4,518	1,848	20,196	16,583	3,613	*17·9*	10,140
2	27,315	16,545	341	2,386	3,165	4,878	15	4,340	2,131	20,829	17,643	3,186	*15·3*	10,162
3	28,526	17,031	379	2,456	3,174	5,486	12	4,191	2,201	22,122	18,469	3,653	*16·5*	10,533
4	28,914	17,381	368	2,504	3,392	5,269	14	4,499	2,246	22,155	20,433	1,722	*7·8*	10,330
1977 *1*	29,748	1,7607	355	2,531	3,589	5,666	22	4,930	2,249	22,547	18,901	3,646	*16·2*	9,864
Seasonally adjusted														
1975 *1*	22,378	13,963	281	1,701	2,212	4,221	13	3,402	1,526	17,437	14,673	2,764	*15·8*	10,678
2	23,453	14,460	280	1,892	2,575	4,246	34	3,603	1,706	18,110	15,583	2,527	*14·0*	10,262
3	24,901	15,287	369	2,005	2,664	4,576	24	3,899	1,787	19,191	16,298	2,893	*15·1*	10,269
4	25,610	15,582	366	2,069	2,776	4,817	33	4,178	1,832	19,567	16,779	2,788	*14·2*	10,129
1976 *1*	26,622	15,927	340	2,182	3,111	5,062	45	4,302	1,848	20,427	17,450	2,977	*14·6*	10,311
2	27,570	16,668	341	2,386	3,155	5,020	15	4,569	2,131	20,855	17,746	3,109	*14·9*	10,256
3	28,241	17,020	379	2,456	3,191	5,195	12	4,098	2,201	21,930	18,521	3,409	*15·6*	10,445
4	28,929	17,215	368	2,504	3,380	5,462	14	4,579	2,246	22,090	19,411	2,679	*12·1*	10,153
1977 *1*	29,701	17,660	355	2,531	3,567	5,588	22	4,752	2,249	22,678	19,831	2,847	*12·6*	9,972

[1] Before providing for depreciation and stock appreciation.
[2] Employers' contributions to national insurance, etc. and pension funds.
[3] Formerly current grants from public authorities.
[4] Income from rent and self-employment, before providing for depreciation and stock appreciation, dividend and net interest receipts, and transfers to charities from companies.
[5] From the second quarter of 1973 includes tax credits on dividends.
[6] From the second quarter of 1973 includes imputed tax payments set against tax credits on dividends *less* payments of these tax credits by the Inland Revenue.
[7] Equals total personal income before tax *less* payments of taxes on income, national insurance, etc. contributions and net transfers abroad.
[8] Before providing for depreciation, stock appreciation and additions to tax reserves.
[9] Personal saving as a percentage of total personal disposable income is shown in italics.
[10] Personal disposable income revalued by the implied consumers' expenditure deflator (1970 = 100).

Appropriation account of companies

TABLE 5

£ million

	Income					Allocation of income					
	Income arising in the United Kingdom					Dividends and interest, etc.					
	Gross trading profits										
	Total[1]	After deducting stock appreciation	Stock appreciation	Total[2]	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[1]
1972	12,028	6,589	1,067	7,656	2,945	1,427	1,613	2,278	629	1,518	5,990	*1,743*
1973	16,307	7,006	2,546	9,552	4,218	2,537	1,695	3,341	754	1,718	8,799	*2,534*
1974	18,254	5,342	4,908	10,250	5,286	2,718	1,566	4,383	655	2,404	9,246	*4,156*
1975	18,067	5,854	4,107	9,961	5,645	2,461	1,660	4,586	622	1,915	9,284	*3,604*
1976	22,775	7,384	5,389	12,773	6,781	3,221	1,890	5,040	1,042	2,014	12,789	*4,102*
Unadjusted												
1975 *1*	4,484	1,251	1,269	2,520	1,369	595	350	1,139	174	1,333	1,488	*970*
2	4,368	1,419	984	2,403	1,371	594	486	1,110	184	232	2,356	*920*
3	4,217	1,309	911	2,220	1,408	589	418	1,111	112	250	2,326	*945*
4	4,998	1,875	943	2,818	1,497	683	406	1,226	152	100	3,114	*769*
1976 *1*	5,080	1,782	1,091	2,873	1,499	708	370	1,131	259	1,229	2,091	*971*
2	5,425	1,731	1,302	3,033	1,610	782	553	1,204	232	172	3,264	*991*
3	5,527	1,561	1,411	2,972	1,725	830	478	1,225	236	475	3,113	*1,074*
4	6,743	2,310	1,585	3,895	1,947	901	489	1,480	315	138	4,321	*1,066*
1977 *1*	6,576	2,413	1,419	3,832	1,898	846	417	1,383	297	1,744	2,735	*1,005*
Seasonally adjusted												
1975 *1*	4,493	1,250	1,269	2,519	1,365	609	446	1,135	177	370	2,365	*930*
2	4,350	1,382	984	2,366	1,404	580	395	1,126	177	423	2,229	*902*
3	4,397	1,461	911	2,372	1,419	606	407	1,141	130	514	2,205	*1,024*
4	4,827	1,761	943	2,704	1,457	666	412	1,184	138	608	2,485	*748*
1976 *1*	5,092	1,779	1,091	2,870	1,495	727	514	1,132	263	296	2,887	*938*
2	5,405	1,686	1,302	2,988	1,652	765	437	1,221	220	335	3,192	*974*
3	5,764	1,761	1,411	3,172	1,741	851	454	1,258	270	675	3,107	*1,164*
4	6,514	2,158	1,585	3,743	1,893	878	485	1,429	289	708	3,603	*1,026*
1977 *1*	6,565	2,387	1,419	3,806	1,891	868	589	1,380	302	568	3,726	*973*

[1]Taxes paid abroad are not included in total income, but are shown solely as a memorandum item.

[2]Before providing for depreciation and stock appreciation.

[3]With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.

[4]Payments of corporation tax (including advance corporation tax from 6 April 1973) *less* increases in balance of deductions of income tax from interest payments and from wages and salaries under PAYE, over payments to the Inland Revenue. Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the first quarter of 1977 the amount of advance corporation tax included was £260 million.

[5]Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of industrial and commercial companies

TABLE 6

£ million

	Income							Allocation of income						
	Income arising in the United Kingdom							Dividends and interest, etc.						
	Gross trading profits				Rent and non-trading income									
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[6]
1972	10,094	7,284	1,067	8,351	632	196	1,111	1,524	1,515	969	551	1,123	5,381	*1,582*
1973	13,577	7,824	2,546	10,370	1,044	503	2,163	1,638	2,369	1,805	670	923	7,977	*2,344*
1974	15,466	6,892	4,908	11,800	1,340	695	2,326	1,517	3,345	2,716	532	1,595	8,477	*3,992*
1975	14,953	7,632	4,107	11,739	1,330	618	1,884	1,623	3,309	2,671	456	922	8,643	*3,393*
1976	19,039	9,527	5,389	14,916	1,633	795	2,490	1,845	3,811	3,115	790	814	11,779	*3,889*
Unadjusted														
1975 *1*	3,750	1,692	1,269	2,961	320	150	469	345	832	704	122	439	2,012	*922*
2	3,594	1,871	984	2,855	302	129	437	460	809	655	133	187	2,005	*864*
3	3,453	1,748	911	2,659	338	157	456	410	790	631	81	220	1,952	*892*
4	4,156	2,321	943	3,264	370	182	522	408	878	681	120	76	2,674	*715*
1976 *1*	4,306	2,311	1,091	3,402	353	157	551	358	806	663	197	139	2,806	*923*
2	4,551	2,257	1,302	3,559	384	176	608	522	873	708	159	123	2,874	*938*
3	4,569	2,102	1,411	3,513	410	199	646	474	949	772	168	443	2,535	*1,018*
4	5,613	2,857	1,585	4,442	486	263	685	491	1,183	972	266	109	3,564	*1,010*
1977 *1*	5,660	2,912	1,479	4,391	592	219	677	404	1,034	891	248	497	3,477	*677*
Seasonally adjusted														
1975 *1*	3,754	1,691	1,269	2,960	313	143	481	454	840	704	125	178	2,157	*882*
2	3,562	1,834	984	2,818	321	146	423	356	824	646	126	204	2,052	*846*
3	3,622	1,900	911	2,811	338	158	473	386	818	635	99	247	2,072	*971*
4	4,015	2,207	943	3,150	358	171	507	427	827	686	106	293	2,362	*694*
1976 *1*	4,311	2,308	1,091	3,399	345	149	567	516	822	666	201	120	2,652	*890*
2	4,518	2,212	1,302	3,514	411	199	593	395	890	701	147	135	2,951	*921*
3	4,791	2,302	1,411	3,713	410	201	668	436	982	782	202	273	2,898	*1,108*
4	5,419	2,705	1,585	4,290	467	246	662	498	1,117	966	240	286	3,278	*970*
1977 *1*	5,485	2,886	1,479	4,365	421	208	699	590	1,046	885	253	218	3,378	*924*

[1]Before providing for depreciation and stock appreciation.

[2]These items are included solely as a memorandum item.

[3]With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends previously shown gross of income tax appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.

[4]The residual of all companies payments and accruals of financial companies taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) *less* increases in balance of deductions of income tax from interest payments and from wages and salaries under PAYE, over payments to the Inland Revenue. Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the first quarter of 1977 the amount of advance corporation tax included was £289 million.
The seasonally adjusted series for all companies have been allocated between industrial and commercial companies and financial companies in proportion to the calendar year estimates of their accruals of taxes on income.

[5]Before providing for depreciation, stock appreciation and additions to reserves.

[6]This item is not now included in total income, but is shown merely as a memorandum item.

Appropriation account of financial companies

TABLE 7

£ million

	Income						Allocation of income							
		Income arising in the United Kingdom					Dividends and interest payments etc.							
			Rent and non-trading income					Other interest payments						
	Total	Gross trading profits[1,2]	of the Banking sector	of Building societies	Other	Income from abroad (net of taxes paid abroad)	Dividends and debenture and loan interest payments[3]	by the Banking sector	by Building societies	Other	Profits due abroad (net of UK tax)	UK taxes on income[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[6]
1971	2,582	−490	1,291	932	639	210	312	425	794	191	54	342	464	*105*
1972	3,099	−695	1,688	1,089	701	316	329	563	923	202	78	395	609	*161*
1973	5,038	−818	3,239	1,486	757	374	307	1,421	1,361	248	84	795	822	*190*
1974	6,199	−1,550	4,609	1,964	784	392	277	2,202	1,743	276	123	809	769	*164*
1975	6,403	−1,778	4,490	2,250	864	577	298	1,967	2,049	289	166	993	641	*211*
1976	7,646	−2,143	5,317	2,664	1,077	731	326	2,201	2,359	298	252	1,200	1,010	*213*
Unadjusted														
1975 *1*	1,588	−441	1,182	515	206	126	59	537	497	73	52	894	−524	*48*
2	1,558	−452	1,082	553	218	157	98	436	507	70	51	45	351	*56*
3	1,552	−439	1,064	578	216	133	73	462	510	72	31	30	374	*53*
4	1,705	−446	1,162	604	224	161	68	532	535	74	32	24	440	*54*
1976 *1*	1,594	−529	1,129	615	222	157	69	447	565	75	62	1,090	−715	*48*
2	1,758	−526	1,187	647	276	174	113	497	564	72	73	49	390	*53*
3	1,929	−541	1,329	675	282	184	72	535	570	74	68	32	578	*56*
4	2,365	−547	1,672	727	297	216	72	722	660	77	49	29	757	*56*
1977 *1*	2,186	−559	1,501	788	287	169	74	595	718	84	49	1,221	−555	*54*
Seasonally adjusted														
1975 *1*	1,586	−441	1,182	516	201	128	68	537	511	18	52	192	208	*48*
2	1,580	−452	1,082	550	243	157	81	436	505	111	51	219	177	*56*
3	1,568	−439	1,064	575	235	133	71	462	505	99	31	267	133	*53*
4	1,669	−446	1,162	609	185	159	78	532	528	61	32	315	123	*54*
1976 *1*	1,596	−529	1,129	613	223	160	77	447	566	33	62	176	235	*48*
2	1,787	−526	1,187	647	307	172	94	497	563	119	73	200	241	*53*
3	1,956	−541	1,329	671	314	183	71	535	572	99	68	402	209	*56*
4	2,307	−547	1,672	733	233	216	84	722	658	47	49	422	325	*56*
1977 *1*	2,173	−559	1,501	798	264	169	84	595	704	43	49	350	348	*49*

[1] Before providing for depreciation and stock appreciation, but the latter is negligible.

[2] This represents the contribution of financial companies to the gross domestic product. It is the difference between bank charges, commissions, etc., on the one hand and management expenses (wages and salaries and payments for current expenses) on the other.

[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income.

[4] The accrual of corporation tax on taxable income, including from 6 April 1973 advance corporation tax due from financial companies. The seasonally adjusted series for all companies have been allocated between financial companies and industrial and commercial companies in proportion to the calendar year estimates of their accruals of taxes on income.

[5] Before providing for depreciation, stock appreciation and additions to reserves.

[6] This item is not now included in total income, but is shown merely as a memorandum item.

Appropriation account of public corporations

TABLE 8

£ million

	Income					Allocation of income				
						Interest and Dividends (Payments)			United Kingdom taxes on income (payments)[3]	Balance: undistributed income[4]
	Total	Gross trading surplus[2]	*Of which* subsidies	Rent and non-trading income	Income from abroad	Total	To general government	Other		
1972	1,913	1,681	444	215	17	925	803	122	7	981
1973	2,407	2,062	651	324	21	1,132	889	243	8	1,267
1974	2,950	2,520	1,308	400	30	1,540	1,109	431	11	1,399
1975	3,376	2,898	1,213	444	34	1,854	1,285	569	10	1,512
1976	4,651	4,022	871	591	38	2,327	1,579	748	9	2,315
Unadjusted										
1975 *1*	825	719	412	98	8	566	406	160	10	249
2	739	621	305	110	8	318	189	129	—	421
3	637	507	252	121	9	548	418	130	—	89
4	1,175	1,051	244	115	9	422	272	150	—	753
1976 *1*	1,065	940	211	116	9	637	510	127	9	419
2	1,057	916	238	132	9	458	283	175	—	599
3	983	821	211	152	10	668	457	211	—	315
4	1,546	1,345	211	191	10	564	329	235	—	982
1977 *1*	1,469	1,286	217	173	10	697	514	183	10	762
Seasonally adjusted										
1975 *1*	799	693	412	98	8	463	303	160	2	334
2	806	688	305	110	8	441	312	129	3	362
3	735	605	252	121	9	457	327	130	2	276
4	1,036	912	244	115	9	493	343	150	3	540
1976 *1*	1,030	905	211	116	9	511	384	127	2	517
2	1,129	988	238	132	9	566	391	175	2	561
3	1,140	978	211	152	10	608	397	211	3	529
4	1,352	1,151	211	191	10	642	407	235	2	708
1977 *1*	1,389	1,206	217	173	10	596	413	183	2	791

[2] Before providing for depreciation and stock appreciation.
[3] Payments to Inland Revenue *less* amounts deducted from dividends and interest paid.
[4] Before providing for depreciation, stock appreciation and additions to reserves.

Current account of central government including National Insurance Funds

TABLE 9

	Receipts								
	£ million								
					Taxes on expenditure				
	Total	Gross trading surplus[1]	Rent, dividends and interest	Taxes on income[2]	Selective employment tax	Other taxes	National insurance contributions	National health contributions	Redundancy Fund contributions
1972	19,941	9	1,590	8,124	449	6,436	3,048	233	52
1973	22,307	6	1,779	9,117	132	7,343[3]	3,640	237	53
1974	27,648	32	2,116	12,124	—	8,376	4,713	235	52
1975	35,792	55	2,557	16,170	—	10,159	6,312	451	88
1976	42,283	40	3,077	18,622	—	12,118	7,706	605	115
Unadjusted									
1975 *1*	9,143	19	693	4,814	—	2,091	1,454	59	13
2	8,208	6	557	3,467	—	2,472	1,557	125	24
3	9,181	13	730	3,963	—	2,688	1,630	132	25
4	9,260	17	577	3,926	—	2,908	1,671	135	26
1976 *1*	11,002	27	877	5,616	—	2,634	1,686	136	26
2	9,958	— 10	660	4,276	—	2,901	1,950	152	29
3	10,494	18	859	4,366	—	3,050	2,014	157	30
4	10,829	5	681	4,364	—	3,533	2,056	160	30
1977 *1*	12,892	16	959	6,528	—	3,140	2,058	160	31
Seasonally adjusted									
1975 *1*	7,995	19	621	3,565	—	2,264	1,454	59	13
2	8,651	6	634	3,827	—	2,478	1,557	125	24
3	9,377	13	667	4,202	—	2,708	1,630	132	25
4	9,769	17	635	4,576	—	2,709	1,671	135	26
1976 *1*	9,857	27	773	4,339	—	2,870	1,686	136	26
2	10,456	— 10	729	4,686	—	2,920	1,950	152	29
3	10,685	18	839	4,548	—	3,079	2,014	157	30
4	11,285	5	736	5,049	—	3,249	2,056	160	30
1977 *1*	11,566	16	878	5,032	—	3,391	2,058	160	31

[1] Before providing for depreciation and stock appreciation.
[2] Tax receipts *less* tax credits.
[3] The current price estimates for the second quarter of 1973 include a fall in the book value of stocks of £280 million reflecting tax rebated on the introduction of VAT: the rebate is also included as a deduction from taxes on expenditure and the estimate of gross domestic product at factor cost is thus not affected.

Current account of central government including National Insurance Funds

TABLE 9 *(continued)*

	Expenditure												
	£ million												
			Current expenditure on goods and services										
	Total	Total current expenditure	Total	Military defence	National health service	Other	Subsidies	National insurance benefits	Other current grants to personal sector	Debt interest	Current grants to local authorities	Current grants paid abroad	Balance: current surplus[1]
1972	19,941	18,596	6,890	3,015	2,237	1,638	1,077	3,483	2,116	1,582	3,238	210	1,345
1973	22,307	21,263	7,664	3,338	2,495	1,831	1,358	3,934	2,079	1,770	4,099	359	1,044
1974	27,648	27,343	9,889	4,047	3,535	2,307	2,727	4,923	2,468	2,123	4,893	320	305
1975	35,792	37,216	13,114	5,067	4,864	3,183	3,528	6,387	3,224	2,678	7,906	379	−1,424
1976	42,283	44,622	15,522	6,077	5,762	3,683	2,949	7,926	4,143	3,638	9,600	844	−2,339
Unadjusted													
1975 *1*	9,143	8,873	2,967	1,116	1,086	765	998	1,377	615	686	2,143	87	270
2	8,208	8,913	3,208	1,233	1,211	764	875	1,594	813	544	1,781	98	−705
3	9,181	9,739	3,378	1,310	1,267	801	821	1,639	856	810	2,160	75	−558
4	9,260	9,691	3,561	1,408	1,300	853	834	1,777	940	638	1,822	119	−431
1976 *1*	11,002	11,307	3,727	1,446	1,343	938	722	1,948	944	953	2,780	233	−305
2	9,958	10,708	3,797	1,476	1,429	892	823	1,935	1,010	728	2,249	166	−750
3	10,494	11,191	3,944	1,556	1,467	921	724	1,940	1,046	1,145	2,200	192	−697
4	10,829	11,416	4,054	1,599	1,523	932	680	2,103	1,143	812	2,371	253	−587
1977 *1*	12,892	12,343	4,173	1,622	1,520	1,031	780	2,225	1,091	1206	2,555	313	549
Seasonally adjusted													
1975 *1*	7,995	8,694	2,897	1,116	1,079	702	929	1,369	702	600	2,143	54	−699
2	8,651	9,105	3,250	1,233	1,209	808	917	1,604	823	644	1,781	86	−454
3	9,377	9,703	3,398	1,310	1,271	817	845	1,656	849	692	2,160	103	−326
4	9,769	9,714	3,569	1,408	1,305	856	837	1,758	850	742	1,822	136	55
1976 *1*	9,857	11,090	3,661	1,446	1,334	881	748	1,934	994	799	2,780	174	−1,233
2	10,456	10,873	3,825	1,476	1,427	922	811	1,948	1,019	865	2,249	156	−417
3	10,685	11,076	3,966	1,556	1,472	938	729	1,959	1,038	941	2,200	243	−391
4	11,285	11,583	4,070	1,599	1,529	942	661	2,085	1,092	1,033	2,371	271	−298
1977 *1*	11,566	11,949	4,084	1,622	1,509	953	680	2,212	1,141	1,013	2,555	264	−383

[1] Before providing for depreciation and stock appreciation.

[2] The estimates from the second quarter of 1974 are affected by the transfer of certain functions between public corporations, central government and local authorities.

Current account of local authorities

TABLE 10

	Receipts					
	£ million					
				Rates		Current grants from central government
	Total	Gross trading surplus[1]	Rent, dividends and interest	Cash receipts	Accruals adjustment[2]	
1972	7,028	131	1,282	2,442	— 65	3,238
1973	8,477	129	1,591	2,507	151	4,099
1974	10,069	100	2,014	3,006	56	4,893
1975	14,513	88	2,524	4,228	—233	7,906
1976	17,230	81	2,999	4,663	—113	9,600
Unadjusted						
1975 *1*	3,567	24	575	826	— 1	2,143
2	3,463	20	613	1,002	47	1,781
3	3,880	22	641	961	96	2,160
4	3,603	22	695	1,439	—375	1,822
1976 *1*	4,589	21	716	840	232	2,780
2	4,151	20	731	1,214	— 63	2,249
3	4,134	20	755	1,125	34	2,200
4	4,356	20	797	1,484	—316	2,371
1977 *1*	4,573	20	820	833	345	2,555
Seasonally adjusted						
1975 *1*	3,555	24	563	825		2,143
2	3,475	20	625	1,049		1,781
3	3,891	22	652	1,057		2,160
4	3,592	22	684	1,064		1,822
1976 *1*	4,582	21	709	1,072		2,780
2	4,160	20	740	1,151		2,249
3	4,139	20	760	1,159		2,200
4	4,349	20	790	1,168		2,371
1977 *1*	4,567	20	814	1,178		2,555

[1] Before providing for depreciation and stock appreciation.
[2] Adjustment to accruals of rates for the quarter, as included in taxes on expenditure and in the adjustment to factor cost in Table 1.
[3] Payments to Inland Revenue *less* amounts deducted from interest paid.

Current account of local authorities

TABLE 10 *(continued)*

	Expenditure								
	£ million								
	Total	Total current expenditure	Current expenditure on goods and services		Subsidies	Current grants to personal sector	Debt interest	Taxes on income (payments) [3]	Balance: current surplus [1]
			Education	Other					
1972	7,028	6,364	2,400	2,482	58	254	1,170	—	664
1973	8,477	7,704	2,755	2,947	104	409	1,489	—	773
1974	10,069	9,506	3,317	3,431	254	487	2,017	—	563
1975	14,513	13,066	5,105	4,628	452	616	2,265	—	1,447
1976	17,230	15,021	5,521	5,408	494	768	2,830	—	2,209
Unadjusted									
1975 *1*	3,567	3,413	1,360	1,087	113	166	634	53	154
2	3,463	2,890	1,123	1,098	108	179	372	10	573
3	3,880	3,331	1,262	1,182	115	153	662	−43	549
4	3,603	3,432	1,360	1,261	116	118	597	−20	171
1976 *1*	4,589	3,825	1,305	1,282	117	214	851	56	764
2	4,151	3,570	1,390	1,307	121	220	504	28	581
3	4,134	3,814	1,380	1,393	127	188	778	−52	320
4	4,356	3,812	1,446	1,426	129	146	697	−32	544
1977 *1*	4,573	4,295	1,460	1,391	136	273	975	60	278
Seasonally adjusted									
1975 *1*	3,555	3,225	1,348	1,083	113	141	540	—	330
2	3,475	2,937	1,115	1,098	108	148	468	—	538
3	3,891	3,386	1,284	1,192	115	159	636	—	505
4	3,592	3,518	1,358	1,255	116	168	621	—	74
1976 *1*	4,582	3,592	1,293	1,276	117	183	723	—	990
2	4,160	3,640	1,381	1,307	121	188	643	—	520
3	4,139	3,874	1,403	1,405	127	194	745	—	265
4	4,349	3,915	1,444	1,420	129	203	719	—	434
1977 *1*	4,567	4,012	1,449	1,386	136	214	827	—	555

See footnotes on page 88

International transactions

TABLE 11

Exports and imports of goods and services revalued at 1970 prices

£ million

	Exports				Imports			
	Unadjusted		Seasonally adjusted		Unadjusted		Seasonally adjusted	
	Goods	Services	Goods	Services	Goods	Services	Goods	Services
1972	8,700	3,918	8,700	3,918	9,504	3,482	9,504	3,482
1973	9,925	4,164	9,925	4,164	10,896	3,761	10,896	3,761
1974	10,657	4,497	10,657	4,497	11,096	3,759	11,096	3,759
1975	10,198	4,365	10,198	4,365	10,296	3,594	10,296	3,594
1976	11,036	4,515	11,036	4,515	10,930	3,662	10,930	3,662
1975 *1*	2,527	1,074	2,615	1,127	2,571	850	2,604	900
2	2,605	1,078	2,490	1,095	2,593	879	2,484	889
3	2,383	1,176	2,462	1,073	2,539	994	2,613	909
4	2,683	1,037	2,631	1,070	2,593	871	2,595	896
1976 *1*	2,702	1,006	2,670	1,068	2,618	843	2,568	891
2	2,818	1,072	2,783	1,080	2,775	909	2,742	914
3	2,627	1,283	2,725	1,174	2,703	1,016	2,807	932
4	2,889	1,154	2,858	1,193	2,834	894	2,813	925
1977 *1*	2,901	1,069	2,857	1,143	2,942	865	2,899	911

International transactions

TABLE 11 (*continued*)

	United Kingdom credits					
	£million					
		Exports and property income from abroad				
	Total credits	Exports of goods[1]	Exports of services	Property income from abroad	United Kingdom taxes paid by non-residents	Current transfers to personal sector
1972	17,579	9,449	4,138	3,505	256	231
1973	23,357	12,115	5,140	5,466	341	295
1974	31,094	16,450	6,513	7,377	399	355
1975	34,204	19,379	7,375	6,602	453	395
1976	43,626	25,294	9,351	7,870	691	420
Unadjusted						
1975 *1*	8,040	4,489	1,643	1,686	127	95
2	8,524	4,825	1,785	1,680	134	100
3	8,545	4,648	2,064	1,652	81	100
4	9,095	5,417	1,883	1,584	111	100
1976 *1*	9,698	5,686	1,925	1,815	172	100
2	10,666	6,288	2,198	1,921	154	105
3	11,163	6,167	2,701	2,034	156	105
4	12,099	7,153	2,527	2,100	209	110
1977 *1*	12,261	7,527	2,437	1,990	197	110
Seasonally adjusted						
1975 *1*	8,267	4,644	1,731	1,668	129	95
2	8,290	4,611	1,818	1,632	129	100
3	8,634	4,808	1,878	1,753	95	100
4	9,013	5,316	1,948	1,549	100	100
1976 *1*	9,739	5,611	2,046	1,808	174	100
2	10,549	6,209	2,218	1,871	146	105
3	11,301	6,400	2,466	2,151	179	105
4	12,037	7,074	2,621	2,040	192	110
1977 *1*	12,344	7,415	2,631	1,988	200	110

[1] On a balance of payments basis.

International transactions

TABLE 11 (*continued*)

United Kingdom debits

£ million

	Total[1]	Total debits[1]	Imports and property income paid abroad				Current transfers		Balance: net investment and capital transfers abroad[3]
			Imports of goods[2]	Imports of services	Property income paid abroad	Foreign taxes paid by United Kingdom residents	From personal sector	From central government[1]	
1972	17,579	17,448	10,151	3,564	1,462	1,773	288	210	131
1973	23,357	24,109	14,449	4,451	1,890	2,574	386	359	— 752
1974	31,094	34,474	21,671	5,599	2,233	4,210	441	320	—3,380
1975	34,204	35,854	22,574	6,274	2,492	3,659	476	379	—1,650
1976	43,626	45,102	28,886	7,437	3,294	4,159	482	844	—1,476
Unadjusted									
1975 *1*	8,040	8,709	5,525	1,356	656	982	103	87	— 669
2	8,524	8,855	5,503	1,511	681	934	128	98	— 331
3	8,545	9,085	5,603	1,805	525	959	118	75	— 540
4	9,095	9,205	5,943	1,602	630	784	127	119	— 110
1976 *1*	9,698	9,949	6,273	1,546	774	984	139	233	— 251
2	10,666	11,095	7,215	1,800	794	1,006	114	166	— 429
3	11,163	11,579	7,270	2,144	774	1,088	111	192	— 416
4	12,099	12,479	8,128	1,947	952	1,081	118	253	— 380
1977 *1*	12,261	12,712	8,507	1,849	897	1,020	126	313	— 451
Seasonally adjusted									
1975 *1*	8,267	8,808	5,591	1,459	659	942	103	54	— 541
2	8,290	8,599	5,266	1,537	666	916	128	86	— 309
3	8,634	9,213	5,775	1,609	570	1,038	118	103	— 579
4	9,013	9,234	5,942	1,669	597	763	127	136	— 221
1976 *1*	9,739	9,860	6,149	1,666	781	951	139	174	— 121
2	10,549	10,950	7,128	1,816	747	989	114	156	— 401
3	11,301	11,844	7,548	1,923	841	1,178	111	243	— 543
4	12,037	12,448	8,061	2,032	925	1,041	118	271	— 411
1977 *1*	12,344	12,671	8,383	1,991	919	988	126	264	— 327

[1] From the beginning of 1973 net of receipts from the EEC.
[2] On a balance of payments basis.
[3] Equal to the current balance in the balance of payments accounts.

Summary capital account

Receipts

TABLE 12

£ million

	Saving[1]					Capital transfers (net)				
	Total	Total	Personal sector	Companies	Public Corporations	General government[2]	Personal sector	Companies	Public corporations[3]	General government[2]	Residual error
1972	13,203	13,434	4,454	5,990	981	2,009	−371	319	122	− 70	−231
1973	17,686	17,681	5,798	8,799	1,267	1,817	−346	271	152	−136	64
1974	20,473	20,065	8,552	9,246	1,399	868	−318	267	229	−253	483
1975	22,762	21,791	10,972	9,284	1,512	23	−295	387	300	−392	971
1976	28,180	27,148	12,174	12,789	2,315	−130	− 64	231	372	−539	1,032
Unadjusted											
1975 *1*	5,237	5,357	3,196	1,488	249	424	− 98	114	91	−107	−120
2	5,304	5,233	2,588	2,356	421	−132	− 94	64	50	− 20	71
3	5,681	5,320	2,914	2,326	89	− 9	− 60	108	71	−119	361
4	6,540	5,881	2,274	3,114	753	−260	− 43	101	88	−146	659
1976 *1*	6,423	6,582	3,613	2,091	419	459	− 55	36	123	−104	−159
2	6,521	6,880	3,186	3,264	599	−169	− 42	74	71	−103	−359
3	7,379	6,704	3,653	3,113	315	−377	− 11	71	73	−133	675
4	7,857	6,982	1,722	4,321	982	− 43	44	50	105	−199	875
1977 *1*	7,662	7,970	3,646	2,735	762	827	433	212	136	−181	−308
Seasonally adjusted											
1975 *1*	5,476	5,094	2,764	2,365	334	−369	−103	165	91	−153	382
2	5,476	5,202	2,527	2,229	362	84	− 90	56	50	− 16	274
3	5,546	5,553	2,893	2,205	276	179	− 64	83	71	− 90	− 7
4	6,264	5,942	2,788	2,485	540	129	− 38	83	88	−133	322
1976 *1*	6,713	6,138	2,977	2,887	517	−243	− 69	70	123	−124	575
2	6,757	6,965	3,109	3,192	561	103	− 36	65	71	−100	−208
3	7,121	6,919	3,409	3,107	529	−126	− 10	42	73	−105	202
4	7,589	7,126	2,679	3,603	708	136	51	54	105	−210	463
1977 *1*	7,939	7,536	2,847	3,726	791	172	11	47	136	−194	403

[1] Before providing for depreciation, stock appreciation, and additions to reserves.
[2] Formerly called public authorities.
[3] Excluding financial transactions on the writing-off of debt.

Summary capital account

Payments

TABLE 12 (*continued*)

£ million

	Gross capital formation[1]						Balance: net investment abroad[2]	Net acquisition of financial assets[3]			
	Total	Total	Personal sector	Companies	Public corporations	General government[4]		Personal sector	Companies	Public corporations	General government[4]
1972	13 203	13,072	2,796	5,516	1,855	2,905	131	1,287	793	— 752	— 966
1973	17,686	18,497	3,062	9,550	2,220	3,665	— 811	2,390	— 480	— 801	—1,984
1974	20,473	23,928	2,934	13,400	3,218	4,376	—3,455	5,300	—3,887	—1,590	—3,761
1975	22,762	24,412	3,604	10,973	4,737	5,098	—1,650	7,073	—1,302	—2,925	—5,467
1976	28,180	29,656	4,414	14,613	5,271	5,358	—1,476	7,696	—1,593	—2,584	—6,027
Unadjusted											
1975 *1*	5,237	5,906	762	2,534	1,243	1,367	— 669	2,336	— 932	— 903	—1,050
2	5,304	5,635	938	2,518	1,045	1,134	— 331	1,556	— 98	— 574	—1,286
3	5,681	6,221	912	2,892	1,185	1,232	— 540	1,942	— 458	—1,025	—1,360
4	6,540	6,650	992	3,029	1,264	1,365	— 110	1,239	186	— 423	—1,771
1976 *1*	6,423	6,674	982	2,716	1,324	1,652	— 251	2,576	— 589	— 782	—1,297
2	6,521	6,950	1,092	3,372	1,311	1,175	— 429	2,052	— 34	— 641	—1,447
3	7,379	7,795	1,096	4,094	1,337	1,268	— 416	2,546	— 910	— 949	—1,778
4	7,857	8,237	1,244	4,431	1,299	1,263	— 380	522	— 60	— 212	—1,505
1977 *1*	7,662	8,113	1,150	4,080	1,314	1,569	— 451	2,529	—1,333	— 416	— 923
Seasonally adjusted											
1975 *1*	5,476	6,017	793	2,774	1,211	1,239	— 541	1,868	— 244	— 786	—1,761
2	5,476	5,785	875	2,608	1,056	1,246	— 309	1,562	— 323	— 644	—1,178
3	5,546	6,125	940	2,792	1,165	1,228	— 579	1,889	— 504	— 818	—1,139
4	6,264	6,485	996	2,799	1,305	1,385	— 221	1,754	— 231	— 677	—1,389
1976 *1*	6,713	6,834	1,013	3,067	1,268	1,486	— 121	1,895	— 110	— 628	—1,853
2	6,757	7,158	1,030	3,474	1,343	1,311	— 401	2,043	— 217	— 711	—1,308
3	7,121	7,664	1,123	3,960	1,318	1,263	— 543	2,276	— 811	— 716	—1,494
4	7,589	8,000	1,248	4,112	1,342	1,298	— 411	1,482	— 455	— 529	—1,372
1977 *1*	7,939	8,266	1,178	4,425	1,258	1,405	— 327	1,690	— 652	— 331	—1,437

[1] Gross fixed capital formation plus the increase in book value of stocks and work in progress.
[2] Equals, apart from the change in sign, the net acquisition of financial assets by the overseas sector.
[3] This balance is equal to saving plus capital transfers less gross capital, formation.
[4] Formerly called public authorities.

Consumers' expenditure

TABLE 13

£ million

	Total	Food (household expenditure)	Alcoholic drink: Beer	Alcoholic drink: Wines spirits, etc.	Tobacco	Housing	Fuel and light	Clothing: Footwear	Clothing: Other	Durable goods: Total	Durable goods: Cars and motor cycles	Durable goods: Furniture and floor coverings	Durable goods: Radio and electrical goods, etc.	Other goods	Other services
At current prices															
1972	39,785	7,415	1,662	1,248	1,808	5,342	1,798	554	2,840	3,839	1,781	962	1,096	6,107	7,172
1973	45,072	8,440	1,807	1,608	1,945	6,156	1,898	630	3,277	4,160	1,814	1,084	1,262	6,951	8,200
1974	51,811	9,826	2,071	1,855	2,239	7,374	2,274	729	3,844	4,000	1,517	1,154	1,329	8,474	9,125
1975	63,333	12,088	2,679	2,223	2,748	9,331	2,927	852	4,468	4,839	1,913	1,387	1,539	10,242	10,936
1976	73,128	14,180	3,282	2,698	3,106	10,687	3,617	978	5,006	5,837	2,531	1,583	1,723	11,505	12,232
1975 *1*	13,910	2,768	523	355	573	2,030	846	177	940	1,167	477	323	367	2,237	2,294
2	15,476	2,913	631	503	687	2,402	613	211	1,064	1,230	534	318	378	2,495	2,727
3	16,281	3,084	769	517	738	2,430	530	213	1,061	1,254	575	337	342	2,621	3,064
4	17,666	3,323	756	848	750	2,469	938	251	1,403	1,188	327	409	452	2,889	2,851
1976 *1*	16,583	3,325	611	432	668	2,513	1,126	188	1,019	1,423	653	373	397	2,527	2,751
2	17,643	3,410	828	565	796	2,714	705	239	1,168	1,329	638	344	347	2,781	3,108
3	18,469	3,545	961	591	820	2,722	620	247	1,199	1,469	657	384	428	2,941	3,354
4	20,433	3,900	882	1,110	822	2,738	1,166	304	1,620	1,616	583	482	551	3,256	3,019
1977 *1*	18,901	3,858	752	482	783	2,843	1,297	229	1,172	1,653	823	406	424	2,841	2,991
Revalued at 1970 prices															
1972	34,440	6,326	1,464	1,177	1,748	4,307	1,534	478	2,497	3,444	1,580	835	1,029	5,405	6,060
1973	36,003	6,397	1,549	1,440	1,859	4,431	1,574	494	2,635	3,585	1,523	840	1,222	5,813	6,226
1974	35,590	6,403	1,551	1,534	1,835	4,466	1,616	499	2,605	3,032	1,100	738	1,194	5,893	6,156
1975	35,234	6,437	1,609	1,482	1,748	4,486	1,596	512	2,649	2,956	1,092	748	1,116	5,732	6,027
1976	35,290	6,477	1,645	1,599	1,688	4,495	1,601	528	2,686	3,162	1,236	762	1,164	5,712	5,697
Unadjusted															
1975 *1*	8,511	1,581	353	272	430	1,123	532	112	581	777	291	187	299	1,330	1,420
2	8,730	1,587	385	345	446	1,146	338	128	643	763	309	174	280	1,406	1,543
3	8,729	1,603	447	329	434	1,119	265	126	621	731	316	179	236	1,434	1,620
4	9,264	1,666	424	536	438	1,098	461	146	804	685	176	208	301	1,562	1,444
1976 *1*	8,334	1,590	327	269	386	1,110	539	106	570	792	338	188	266	1,305	1,340
2	8,616	1,606	418	335	444	1,144	314	132	638	729	319	168	242	1,391	1,465
3	8,803	1,628	476	346	434	1,129	261	132	642	795	313	185	297	1,439	1,521
4	9,537	1,653	424	649	424	1,112	487	158	836	846	266	221	359	1,577	1,371
1977 *1*	8,269	1,554	336	261	373	1,129	532	114	586	802	356	174	272	1,294	1,288
Seasonally adjusted															
1975 *1*	8,988	1,605	403	382	458	1,125	419	136	676	782	282	196	304	1,459	1,543
2	8,833	1,592	381	384	430	1,119	403	128	660	771	267	188	316	1,442	1,523
3	8,724	1,620	409	360	426	1,119	383	127	662	732	308	181	243	1,412	1,474
4	8,689	1,620	416	356	434	1,123	391	121	651	671	235	183	253	1,419	1,487
1976 *1*	8,811	1,617	376	385	412	1,111	427	130	665	798	326	200	272	1,433	1,457
2	8,730	1,615	415	381	429	1,119	381	132	657	734	274	181	279	1,425	1,442
3	8,824	1,641	437	389	427	1,128	375	133	686	796	300	188	308	1,420	1,392
4	8,925	1,604	417	444	420	1,137	418	133	678	834	336	193	305	1,434	1,406
1977 *1*	8,720	1,581	385	367	398	1,131	417	140	683	806	347	182	277	1,419	1,393

Gross domestic fixed capital formation by sector and by type of asset

TABLE 14

£ million

	Total	Private sector[1]	General government[1,2]	Public[1] corporations	Vehicles ships and aircraft	Plant and machinery	Dwellings		Other new building and works[3]
							Private	Public	
At current prices									
1972	11,680	7,028	2,878	1,774	1,363	4,007	1,446	829	4,035
1973	14,154	8,452	3,631	2,071	1,639	4,873	1,648	1,014	4,980
1974	16,690	9,494	4,349	2,847	1,725	5,720	1,679	1,470	6,096
1975	20,509	11,548	5,062	3,899	1,941	6,628	2,091	1,929	7,920
1976	23,031	13,120	5,322	4,589	2,262	7,945	2,324	2,272	8,228
1975 *1*	4,941	2,558	1,371	1,012	485	1,610	493	485	1,868
2	4,736	2,800	1,130	806	454	1,524	546	459	1,753
3	5,330	3,118	1,211	1,001	459	1,728	524	437	2,182
4	5,502	3,072	1,350	1,080	543	1,766	528	548	2,117
1976 *1*	5,700	2,758	1,636	1,306	562	1,916	556	626	2,040
2	5,356	3,183	1,150	1,023	520	1,808	556	504	1,968
3	5,853	3,527	1,253	1,073	576	1,964	600	546	2,167
4	6,122	3,652	1,283	1,187	604	2,257	612	596	2,053
1977 *1*	6,090	3,255	1,566	1,269	657	2,249	515	618	2,051
Revalued at 1970 prices									
1972	9,862	5,907	2,449	1,506	1,166	3,442	1,160	712	3,382
1973	10,283	6,223	2,504	1,556	1,283	3,885	1,017	710	3,388
1974	10,124	5,957	2,429	1,738	1,165	3,923	863	821	3,352
1975	9,991	5,736	2,358	1,897	1,038	3,611	918	880	3,544
1976	9,556	5,496	2,171	1,889	991	3,593	884	907	3,181
Unadjusted									
1975 *1*	2,615	1,386	683	546	286	962	226	237	904
2	2,357	1,420	536	401	251	850	240	214	802
3	2,510	1,492	549	469	236	911	221	194	948
4	2,509	1,438	590	481	265	888	231	235	890
1976 *1*	2,511	1,247	698	566	259	926	226	261	839
2	2,270	1,358	480	432	233	833	218	208	778
3	2,379	1,440	505	434	251	869	222	217	820
4	2,396	1,451	488	457	248	965	218	221	744
1977 *1*	2,283	1,247	567	469	263	927	178	214	701
Seasonally adjusted									
1975 *1*	2,534	1,415	620	499	295	911	228	227	873
2	2,474	1,451	590	433	252	916	237	226	843
3	2,540[4]	1,516[4]	548	476	244	924	228	189	955[4]
4	2,443	1,354	600	489	247	860	225	238	873
1976 *1*	2,460	1,315	628	517	263	887	227	249	834
2	2,394[5]	1,387[5]	538	469	236	903	215	222	818[5]
3	2,392[6]	1,449[6]	504	439	261	878	229	211	813[6]
4	2,310	1,345	501	464	231	925	213	225	716
1977 *1*	2,238	1,304	507	427	266	889	179	204	700

[1] Including purchases *less* sales of land and existing buildings.
[2] Formerly called public authorities.
[3] Including transfer costs of land and buildings.
[4] Including approximately £100 million extra capital formation in imported oil platforms and related equipment delivered during the summer but not adjusted for seasonality.
[5] Including approximately £60 million extra capital formation in imported oil platforms and related equipment delivered during this quarter but not adjusted for seasonality.
[6] Including approximately £50 million extra capital formation in imported oil platforms and related equipment delivered during this quarter but not adjusted for seasonality.

Gross domestic fixed capital formation by industry group

TABLE 15

£ million

	Total	Mining and quarrying	Manufacturing[1]	Gas, electricity and water	Transport and communication	Distributive trades[1]	Other industries[2]	Dwellings	Public services	Transfer costs of land and buildings
At current prices										
1972	11,680	217	2,044	718	1,532	682	1,843	2,275	1,916	453
1973	14,154	293	2,437	769	1,866	812	2,465	2,662	2,285	565
1974	16,690	746	3,145	944	1,922	873	2,885	3,149	2,531	495
1975	20,509	1,870	3,449	1,185	2,263	953	3,100	4,020	3,044	625
1976	23,031	2,499	3,941	1,271	2,255	1,088	3,404	4,596	3,277	700
1975 *1*	4,941	362	842	307	579	206	752	978	784	131
2	4,736	371	815	251	505	223	759	1,005	649	158
3	5,330	688	852	298	557	245	769	961	789	171
4	5,502	449	940	329	622	279	820	1,076	822	165
1976 *1*	5,700	387	907	392	612	259	781	1,182	1,028	152
2	5,356	666	892	257	514	276	809	1,060	712	170
3	5,853	788	997	298	537	265	852	1,146	778	192
4	6,122	658	1,145	324	592	288	962	1,208	759	186
1977 *1*	6,090	499	1,092	363	645	322	926	1,133	949	161
Revalued at 1970 prices										
1972	9,862	173	1,738	608	1,305	599	1,601	1,872	1,650	316
1973	10,283	207	1,872	582	1,418	657	1,887	1,727	1,640	293
1974	10,124	421	2,024	581	1,240	605	1,856	1,684	1,480	233
1975	9,991	816	1,737	575	1,187	533	1,618	1,798	1,445	282
1976	9,556	909	1,650	526	986	534	1,512	1,791	1,362	286
Unadjusted										
1975 *1*	2,615	176	468	163	335	123	424	463	401	62
2	2,357	168	420	125	272	128	404	454	314	72
3	2,510	289	413	140	284	133	395	415	365	76
4	2,509	183	436	147	296	149	395	466	365	72
1976 *1*	2,511	158	405	173	279	135	362	487	447	65
2	2,270	248	381	109	230	137	366	426	302	71
3	2,379	277	411	119	236	129	374	439	318	76
4	2,396	226	453	125	241	133	410	439	295	74
1977 *1*	2,283	165	413	134	260	146	365	392	345	63
Seasonally adjusted										
1975 *1*	2,534	170	471	139	336	130	411	455	356	66
2	2,474	172	444	140	286	134	412	463	350	73
3	2,540[3]	292[3]	416	143	288	134	408	417	368	74
4	2,443	182	406	153	277	135	387	463	371	69
1976 *1*	2,460	198	402	151	277	138	353	476	396	69
2	2,394[3]	260[3]	408	121	241	144	372	437	339	72
3	2,392[3]	254[3]	418	125	241	131	386	440	323	74
4	2,310	197	422	129	227	121	401	438	304	71
1977 *1*	2,238	190	414	113	261	148	358	383	304	67

[1] Further details are given in the *Monthly Digest of Statistics*.
[2] Covers agriculture, forestry, fishing, construction and other service industries.
[3] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £100 million in 3rd quarter 1975, £60 million in 2nd quarter 1976 and £50 million in 3rd quarter 1976.

Value of physical increase in stocks and work in progress

TABLE 16

£ million

	At current prices					Revalued at 1970 prices									
						Unadjusted					Seasonally adjusted				
			Distributive trades					Distributive trades					Distributive trades		
	Total	Manufacturing[1]	Retail	Wholesale	Other industries	Total	Manufacturing	Retail	Wholesale	Other industries	Total	Manufacturing[1]	Retail	Wholesale	Other industries
Book value of stocks and work in progress at end–December															
1976	42,109	26,048	3,902	4,502	7,657	18,224	10,405	1,977	1,830	4,012	18,224	10,405	1,977	1,830	4,012
1972	57	— 156	17	58	138	39	— 145	15	48	121	39	— 145	15	48	121
1973	1,163[2]	458	246	126	333	1,127	404	382	102	239	1,127	404	382	102	239
1974	1,147	1,097	—146	189	7	602	666	—111	81	— 34	602	666	—111	81	— 34
1975	—1,300	— 829	— 23	—278	—170	— 680	— 392	— 23	—111	—154	— 680	— 392	— 23	—111	—154
1976	68	114	10	54	—110	— 2	5	1	23	— 31	— 2	5	1	23	— 31
1975 *1*	— 670	— 166	— 94	—159	—251	— 278	— 13	— 62	— 66	—137	— 125	17	— 38	— 23	— 81
2	— 351	— 184	— 98	—124	55	— 209	— 105	— 61	— 58	15	— 267	— 105	— 66	— 52	— 44
3	— 244	— 494	56	33	161	— 143	— 247	34	11	59	— 208	— 234	38	— 29	17
4	— 35	15	113	— 28	—135	— 50	— 27	66	2	— 91	— 80	— 70	43	— 7	— 46
1976 *1*	— 412	— 78	— 28	— 56	—250	— 134	— 1	— 16	— 17	—100	25	31	12	25	— 43
2	— 33	— 245	— 91	— 59	362	— 42	— 114	— 50	— 29	151	— 97	— 115	— 55	— 22	95
3	236	105	56	118	— 43	54	— 8	30	48	— 16	— 22	3	22	9	— 56
4	277	332	73	51	—179	120	128	37	21	— 66	92	86	22	11	— 27
1977 *1*	111	302	104	9	—304	104	145	50	8	— 99	255	180	80	52	— 57

[1] Further details are given in the *Monthly Digest of Statistics*.

[2] The second quarter of 1973 includes a fall in the book value of stocks of £280 million reflecting tax rebated on the introduction of VAT. The rebate has been allocated at current prices as follows:

	£ million		£ million
Manufacturers	34	Retailers	181
Wholesalers	36	Other industries	29

This allocation is to some extent arbitrary, and therefore should be regarded as approximate.

Developments in national accounts

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The following article is an updated version of a paper prepared by the authors for a symposium on the organisation and retrieval of economic knowledge held in Kiel by the International Economic Association in July 1975. Although it takes account of any significant developments which may have occurred since 1975, there are no changes of principle or concept involved. The full proceedings of the symposium, including reports on discussion of the papers, are published in *The Organisation and Retrieval of Economic Knowledge* edited by Mark Perlman (MacMillan, July 1977). The views expressed are those of the authors and should not be taken as necessarily identical on all counts with those underlying the Government Statistical Service's current programmes of work.

Introduction

This article describes our view of the main developments likely in national accounts statistics over the next decade. We have examined the needs of those using national accounts statistics both in the context of our own UK experience and, so far as we were able, in the international context.

National statistical agencies are faced with the problem of determining the optimum disposition of professional and other resources between competing claims. Not only must choices be made between competing claims for the collection of new data, but between more collection and more analysis or the improvement of existing data sources. Users may press for more information, more reliable data, more timely figures, changes in classification or presentation – the list sometimes seems endless – and the official statistician must respond to these demands in a constructive and responsible manner. He must bear in mind what is in fact possible, given the basic information systems from which he can collect the information. He must also consider the costs he is imposing on those providing data in relation to the benefits arising from the information becoming available. With these considerations in mind we have, in addition to describing all the main areas in which we know faster development is considered to be desirable, indicated where we see development as most likely to be achieved. It may be that our scale of priorities, and view of the difficulties to be overcome in achieving these developments, will differ from that of other practitioners. Despite our reservations about the feasibility of developing national accounts in certain directions, however, we are generally sanguine about what can be achieved and look forward to considerable progress during the next decade.

The article comprises six sections, the first four of which deal with probable developments in national accounts estimates. These consider developments of UK national accounts in relation to the United Nations system together with its complementary and sub-systems, national accounts in support of conjunctural analysis and forecasting, inflation and the measurement of quantum changes and possible extensions of the national accounts boundaries. Within each of these four sections separate, but related, topics are considered. There is inevitably some duplication where the same issues arise in different contexts but we trust that this will prove helpful rather than tedious. In the fifth section of the article the need for information on sources and methods of estimation is mentioned, and in the final section consideration is given to storage and dissemination of national accounts data. The two final sections of the article were added to the original paper in the light of discussion at the Kiel symposium, particularly the comments of Phyllis Deane, John Fetterman and James Morgan.

Development of UK national accounts in relation to the UN system, together with its complementary systems and sub-systems

The present UN system of national accounts (SNA) was adopted by the fifteenth session of the UN Statistical Commission for the use of national statistical authorities and reporting of internationally comparable national accounts data. It provides a comprehensive framework within which to record estimates of the flows and stocks of the economy[1].

This section of our article examines those parts of this framework to which particular attention is likely to be directed in the next few years by UK national accounting statisticians.

(*a*) *Input-output estimates*

In many countries a set of detailed input-output tables* form the cornerstone of the national accounts estimates. By contrast work on input-output tables in the United Kingdom has in the past largely taken the estimates for the main national accounts aggregates as given, and has been regarded as supplementary to, rather than forming the basis for, the main accounts. The optimal approach to all these related tasks of statistical compilation is, of course, a matter of judgement in the light of the reliability of each set of data available and in this respect the situation may differ significantly from country to country. We now feel, however, that in the United Kingdom we may not have given sufficient attention to input-output estimates of value added as a means of checking the quality and plausibility of estimates derived from other sources (for example, tax administration data on incomes). Similarly, we have tended to rely solely upon data for capital expenditure by investing units without supplementing this with a commodity flow approach to estimating capital formation, (that is using estimates of domestic deliveries and imports of capital goods rather than expenditure data collected from those investing in fixed capital assets). We are changing the emphasis of our work in order that the approaches not so far fully utilised should play a more important role in helping to identify inconsistencies and discrepancies in the estimates.

One difficulty encountered when attempting to use the input-output approach as a basis for estimating the recent past is the shortage of detailed data needed for this purpose. The collection and analysis of this information will typically

* A commodity or industrial analysis of the goods and services flowing into (inputs) and out of (outputs) each industry or productive process in the economy.

require several years to complete and for many uses to which the national accounts estimates are put this is not sufficiently timely. There is a further point of difficulty in that certain detailed information, in particular that relating to each industry's purchases, can only be obtained with the agreement and goodwill of the firms providing such information. There is an understandable reluctance amongst firms to go to the trouble and expense of arranging for this to be done more frequently than is absolutely necessary, and in the United Kingdom such purchases inquiries have been held only about every five years. In those circumstances it has been necessary to develop techniques for the updating of 'benchmark' input-output tables and in the future we are likely to see an increasing effort devoted to this kind of work.

To users of national accounts estimates it may be that much of this work will pass unnoticed because the format and detail of the published data may not be very different. As compilers and users of the national accounts, however, we attach very great importance to that part of our work which is aimed at improving the reliability of our estimates. There may often exist a difficult choice to be made between devoting resources to the extension of national accounts or other areas of statistics and concentrating upon the improvement of existing series. We refer below to numerous areas where we see probable development and extension of national accounts, but overall we see the next decade as a period in which, in the UK at least, as much attention will be given to improving the quality of our existing national accounts estimates as to extending them.

(b) Development of accounts for sub-sectors within the UN system

In the UK national accounts the construction of current and capital accounts for the main institutional sectors (persons, companies, central and local government, public corporations and overseas) was regarded as essential from the outset. The development of financial accounts (though now well-established) came rather later in the day and led to the creation of sub-sectors for industrial and commercial companies, banks and other financial institutions. More recently the need for further sub-division has become apparent in a number of different contexts.

Within the personal sector we can in principle distinguish households, individuals living outside households (mostly in institutions), unincorporated businesses, non-profit-making bodies serving households and life assurance and superannuation funds. For most purposes there is little reason for wishing to distinguish between the first two groups, and in practice it is usually impossible to separate all the business and household transactions of the proprietors of unincorporated businesses. So far, therefore, work in the United Kingdom has been restricted to the construction of estimates for

i. non-profit-making bodies serving households[2],

ii. life assurance and superannuation funds, and

iii. the rest of the personal sector (mainly households).

The main objectives of this sub-division are not difficult to appreciate. In studying the income, expenditure and saving behaviour of the personal sector the disaggregation may enable more reliable relationships between the various aggregates to be established. Personal sector consumption, for example, is mainly by households and might be expected to be better explained in terms of household income, exclusive of transfers to superannuation funds and non-profit making bodies serving households but inclusive of transfers from these sub-sectors (for example, pensions). We also see this development leading to the possibility of further disaggregation of the household sector itself, not perhaps in terms of a full set of accounts, but in terms of the income and expenditure behaviour of different household types. For this purpose household types might be defined in terms of the population characteristics or the income characteristics of the household, or even a combination of the two. Such an approach is very ambitious, however, and may prove to be impracticable because of the constraints imposed by the data limitations. It may be that work of this kind will have to take the form of simulations rather than the construction of estimates based on data collected from households. Part (*d*) of this section and part (*f*) of the next section, of the article also refer to possible developments of this kind.

A separate requirement for estimates of household income, as distinct from total personal sector income, arises from the need to have control totals for estimates on the distribution of personal incomes. The data on distribution of incomes at present available for the United Kingdom are somewhat limited in scope and, with the increasing need for estimates of income and wealth distribution, we are now devoting more resources to this area of our statistics.

Within the company sector further disaggregation will be needed if important developments currently taking place are to be understood. The distinction between the transactions of industrial and commercial companies and those of financial institutions, already made in the UK accounts, is crucial but the growing importance of North Sea oil and gas development (with its different path of profits, investment and financing) means that a further sub-sector of industrial and commercial companies will be necessary.

Improvement of estimates for the company sector will include better estimates of the flows of interest, etc, between industrial and commercial companies and financial companies, and a fuller identification of lending and borrowing, particularly in the form of trade credit. The link between estimates of income, outlay, transactions in financial assets and balance sheets giving estimates of the level of assets and liabilities will assume greater importance (see the next section). More attention will also need to be paid to the 'interface' between operating or production accounts showing the operating surplus accruing to units analysed according to industries and income and outlay accounts showing the transactions of units under common ownership.

(c) Real and financial wealth of economic sectors

The system of national accounts as we know it records economic transactions in the form of production accounts (analysed by industries), which are then brought together (for the main sectors of the economy) as income and outlay and capital accumulation accounts. In these sector accounts the Keynesian identity that for the whole economy, saving (or unconsumed income) equals investment is made up by including the net balance of dealings in the (financial) claims of one sector on another. The system has been regarded as being completed by accounts showing the financial trans-

actions of the various sectors (or flows of funds), which are analysed by sub-divisions of the corporate sector to show the accounts of the various types of financial intermediaries. A number of countries now prepare regular estimates of the flows of funds; but their usefulness is limited both practically and conceptually: practically, because there are often huge unidentified residuals between the balance of a sector's estimated receipts and expenditure on current and capital account (the implied net acquisition of financial assets) and the balance of its identified purchases and sales of financial assets; and conceptually because decisions on current and capital spending and on financial investment are not only affected by borrowing and lending in the sense of transactions in financial assets, but also by the holdings of financial assets.

To complete the picture, there is a need for balance sheet type estimates which will show in aggregate for each sector the levels of assets held, distinguishing between 'real' assets and financial claims, and of financial liabilities (that is, the claims of other sectors). Estimates for the United Kingdom relating to the mid-1960s were put together by Revell[3] and Roe[4], and more recently the UN Statistical Commission approved a document[5] setting out guidelines for the conceptual framework of such a system of estimates. This framework has the following main characteristics:

i. for each sector distinguished there is a balance sheet (balanced, like all balance sheets, by an estimate of the net worth of the sector);

ii. for each period, the opening and closing balance sheet is integrated into the rest of the system of national accounts through the financial transactions (capital finance) account and a 'reconciliation' account showing changes in the valuation of assets and liabilities, and adjustments such as the natural growth or depletion of certain real assets (for example timber and sub-soil deposits), reclassifications of institutions from one sector to another and the disappearance of equities when a company is taken over and becomes a subsidiary.

iii. the basis of valuation is market values (rather than book values) where an effective market exists, otherwise a proxy for market values (such as written down replacement cost for plant and machinery);

iv. the boundary is drawn at the same point as in the SNA, for example, consumer and military durables are not capitalised, though there is provision for supplementary estimates evaluating the existing stock of these goods;

v. if the separate sector accounts are consolidated (rather than being combined) a statement emerges for the nation as a whole showing the value of its stock of real assets, plus its net claims on the rest of the world; for other analytical purposes, it is desirable to go some way towards analysing the financial claims of each sector on a 'to whom, from whom' basis, that is, to analyse financial assets according to the sector issuing the claim as its liability.

The development of such estimates in a comprehensive form, and their maintenance regularly, will place a substantial burden on national statistical offices, even for those countries already compiling flow of funds estimates. In the United Kingdom, even with the advantage of the pioneering work already mentioned, the completion of the programme is still some years off[6]. The potential uses of such estimates seem considerable; they are outlined in paragraphs 2.1 to 2.17 of the UN's guidelines[5]. However, certain sub-systems can be developed independently; *viz*, estimates of the value of fixed assets and buildings, which can be developed from the existing estimates of capital accumulation by the so-called 'perpetual inventory' method, and estimates of holdings of the most liquid of financial assets (money or near-money), which are available from balance sheets produced by banks and other credit institutions. With other claims, however, the problems of estimation loom large, particularly when the asset is highly transferable (*viz* bearer bonds, time certificates of deposit) so that the debtor institution cannot report its liabilities by sector. Amongst real assets, the main problems are in the valuation of land, or of plantations and natural resources, while unquoted securities provide problems on the financial side. There are also difficulties in the classification of institutions, particularly holding companies. Sector balance sheets are a relatively new statistical field, and there is little experience on which to draw, so it may take some time to find satisfactory solutions to these problems.

The main relevance of comprehensive balance sheet-type estimates to conjunctual forecasting models would revolve around the question of how and to what degree spending decisions, particularly on durables, stocks and fixed assets, are influenced by the level of assets held by an economic agent, the liquidity 'profile' of such assets, the range and efficiency of facilities offered by financial intermediaries, etc. The theoretical background is mainly in terms of the 'portfolio adjustment' type model of behaviour, developed by Tobin[7] and others; in the coming years it should become possible to begin using models of this kind to the extent that the national accounts estimates are progressively expanded to include balance sheet-type estimates first for financial institutions and then for the non-financial sectors of the economy. But the preparation of comprehensive balance sheet estimates will be costly, and progress towards that completion must be conditioned by the need of the national accounts statistician to order the priorities of his work on this and on other (but perhaps less costly) developments.

In one area, the distribution of the wealth of the nation in the hands of the ultimate beneficiaries of that wealth, *viz*, the household sector, the need for better data is all too obvious, not merely for the light that it might throw on decisions whether to spend or to re-invest income, and on the other aspects of behaviour affecting output in aggregate, but for the study of the structure of society and welfare. It is often held, other things (including the rate of growth of aggregate wealth) being equal, that a relatively equal distribution of personal wealth will contribute more to economic welfare than a relatively unequal distribution of the same wealth. To what extent in the progression towards equality can 'other things' be expected to remain equal? At what point do diseconomies such as dispersion of cultural heritage, shortage of supply of investible funds, become material? In the United Kingdom, questions of this kind are being studied by a Standing Royal Commission.

One thing is clear, however – the study of all this will be impossible unless the data on the distribution of personal wealth can be improved. This is likely to be one of the 'growth areas' in the national accounts in the next decade. Unfortunately, however, the data problems are very great, and progress will not be easy. It will help for a start to have estimates of the total of wealth held by households, as described above. For the study of its distribution, there are at present three known methods; the estate duty multiplier method (where the dead whose assets are known are taken as a sample of the living), though this relates to individuals rather than households; the method of estimating the value of assets from the amount of (investment) income received from them, this being often known by fiscal administrations; and sample surveys of households. The latter lead to intractable problems if required as a principal source of comprehensive estimates – people do not know the detailed make-up of their wealth even if willing to reveal it – but will be useful for determining the structure of assets held by the middle and lower income groups. A fourth approach, only covering the upper end of the wealth distribution, is available when a wealth tax exists. In the opinion of the authors, progress must come from a mixture of these approaches, where data are available, and the development of each so as to interlock with the others. Orders of magnitude for the proportion of total wealth owned by the most wealthy 1 per cent and 5 per cent of the population of the United Kingdom, together with an account of some of the problems in basing estimates on the estate duty multiplier method, are contained in an appendix to the 'Green Paper' on a Wealth Tax[8].

(d) Disaggregation by characteristics of individuals or households

The income and outlay accounts in the UN system evidently give only very summary information in respect of the household sector, and there is both need and scope for the disaggregation of either income or outlay in various dimensions – the distribution of income, the commodity composition of consumption, or for comprehensive estimates relating income to consumption and saving, analysed by size of income, by socio-economy category, by size of household, etc. There is no need to outline here the shape of such a complementary system – it has been done by the United Nations[9]. Of more interest are the uses of such data – and the various – problems in the way of constructing estimates which can be related to the aggregates in the national accounts as a whole. What we have at the moment (in the complementary system) is a well ordered and detailed account of what might be called the conventional symbols of a map of the terrain; but the actual observations are either completely lacking or are a confused jumble of seemingly unrelated numbers, with huge gaps.

The UN system delineates the uses of such information under two main headings: the welfare of the population, and global economic questions. The relevance of income distribution data to welfare is obvious enough; questions of welfare and perceptions of welfare may also be relevant to the effective management of the economy, for example in the aim of attaining steady growth and limiting inflation. The regulation of demand in a conjunctural sense through public finance also depends on much better data than are generally available of household income and outlay disaggregated by size of income, etc; for instance not only does the estimation of tax yields depend on such data but also the assessment of the response of consumption to changes in the level of indirect taxes. The relationship between income and consumption can be better understood with the help of cross-section data rather than aggregate time series alone. There is also a need for a number of social and economic purposes for comprehensive studies of the redistribution of income through public finance (direct and indirect taxes, subsidies and grants). For an example of the latest published UK work of this kind see[10].

The problems in constructing such estimates are partly definitional but mainly practical. The unit of observation (household, family, tax unit, individual) affects the analysis, and so does the definition of 'income' (despite Mr Micawber's adage, notoriously an amorphous concept). Data on income may be obtained from employers, as a by-product of fiscal administration, by direct enquiry to households through sample surveys, or from data obtained from other sectors (for example, investment income). The statistician's problem is that no single source is likely to be capable of development into a comprehensive set of estimates, so that he has to relate one to the other. In general, if data from the fiscal administration cover a large part of the field and are used as a main source for the aggregate measure of the factor income generated by the national product, the task of compiling distribution data which are as comprehensive as the aggregate is less forbidding, but even so there will be many gaps to fill in, and problems in obtaining analysis by socio-economic characteristics or using a wider unit of observation, such as the household.

(e) International comparisons of real product

The usefulness of international comparisons of the main national accounts aggregates may be severely limited when estimates are converted to a common basis of valuation by means of official exchange rates. Following earlier work for OECD in the 1950s by Gilbert and Kravis, in 1968 the United Nations began work on an international comparisons project, a report on the first stage of which was published in 1975[11]. The purpose of the project is to establish systems for international comparison of real product and purchasing power.

Work of this kind is likely to be further developed during the coming years and it is important that the potential uses of its results, and their limitations, should be properly understood. The results are useful in analysing the processes of economic growth and development, enabling valid cross-sectional comparisons to be made between different stages of economic developments and facilitating assessment of the success of development efforts. Particular areas of interest are savings ratios, the composition of output, growth rates and the role of government. The results are also useful for such purposes as a basis on which to allocate aid to developing countries or to share the costs of international projects between participating countries.

Amongst the qualifications to be attached to those results are the sampling and other estimation errors which inevitably arise in the completion of such an extensive and complex statistical exercise. But possibly more importantly it needs to be understood that the purchasing power parities calculated are not intended to approximate to equilibrium rates of exchange, which depend upon many factors

additional to the relative purchasing power of currencies over the goods and services which constitute the gross domestic product. Also, comparisons of real income between different countries involve a number of implicit assumptions which certainly do not hold in any strict sense. The price structure existing in the countries being compared, for example, may differ to an extent sufficient to render the significance of the results open to question since a rigorous set of conditions for such a comparison would require that the price structure was identical.

Despite these limitations we regard the results of this work as being extremely valuable and expect to see the participation of national statistical agencies in its further development.

(f) Geographical analysis

The SNA itself does not provide a regional dimension to the system and until fairly recently there had been little official interest shown in the United Kingdom in compiling regional accounts. Earlier work had been limited to separate estimates for Northern Ireland, Scotland and Wales. With the entry of the United Kingdom into the European Economic Community, however, it became necessary to compile official regional estimates in connection with the formulation of a Community regional policy. The latest results of this work were published in June 1977[12], and more work will be necessary to develop these estimates further.

The pace and scope of further work seems to us difficult to judge. There are constraints on development imposed by lack of data on certain inter-regional transactions (exports and imports of goods and services to and from other regions, flows of property income, for example). There are also conceptual problems when dealing with items like domestic and international transport services. All this means that there are limits to the usefulness of the national accounts framework as a basis for studying regional economic structure and interdependence. On the other hand, the demands for information about relative prosperity in different regions of the United Kingdom may well grow rather than diminish as the current debate on devolution proceeds.

National accounts in support of conjunctural analysis and forecasting

(a) Quarterly data

The development of quarterly national accounts, as distinct from key short-term economic indicators, has varied in degree from one country to another. Some countries, such as Canada and the United States of America, have compiled and published a comprehensive set of quarterly national accounts for many years whilst others, usually because the necessary professional statistical resources were not available, have relied upon annual national accounts and a set of selected short-term indicators. The importance of the contribution to be made by quarterly national accounts is no doubt debatable. Even if the relevant economic transactions could be measured accurately, problems of interpretation would still remain so that even in principle the usefulness of the quarterly accounts clearly depends upon the economic significance to be attached to quarterly movements in the aggregates measured. In practice the question of whether monthly or quarterly measurement is in fact possible also assumes some importance. If businesses do not prepare quarterly accounts of their transactions in the detail required, it will not usually be possible for statistical agencies to collect the necessary data from which to construct quarterly national accounts. There are also special problems arising from the appropriate treatment of agriculture and forestry where the normal production cycle is longer than a calendar quarter and the industry's 'work-in-progress' takes a rather different form from that encountered elsewhere.

The main strengths of a quarterly system of national accounts lie in their comprehensive and internal consistency. The annual accounts attempt to portray the essential structure of the economy and even though the available quarterly data may be incomplete it will usually be possible to infer from this a good deal about the remainder of the accounts. The data underlying the short-term economic indicators such as an index of industrial production, data on external trade, retail sales, wholesale and retail prices, etc, all play their part in the construction of quarterly national accounts, but what finally emerges is in a sense greater than the sum of its components because it has been fitted to the economic framework defined by the accounts.

The degree of detail in which quarterly national accounts should be constructed is a matter to be decided in the light of the considerations already mentioned – usefulness, accuracy, economic significance – but a further consideration of equal importance is that of timeliness. Generally, those responsible for short-term economic management are concerned with the present and immediate future rather than the events of a rapidly receding past. Given this need for an up-to-date assessment of the present, it might be thought that quarterly national accounts could most usefully take the form of a continuous forecast of the present in the light of the latest estimates relating to the immediate past. As far as we are aware, however, no official statistical agency regularly publishes information in this form. One reason for this may be the extent to which official statisticians are subjected to criticism when their estimates are repeatedly revised; clearly, any system of continuous assessment of the present and recent past would be particularly subject to revision.

The present signs are that quarterly national accounts are likely to be more widely developed during the coming decade. There is a growing interest in their development both nationally and internationally. The OECD, for example, an organisation with particular interest in monitoring developments in national economies, has recently set up a system of standard national accounts reporting on a quarterly basis to supplement the existing annual system. Discussion at international meetings confirms that, where national quarterly accounts are not already constructed, countries are putting resources into this work. In those countries where such estimates are already well established they appear to be regarded as an essential tool of economic policy and the aim of improving their reliability and usefulness as deserving high priority.

(b) Time series analysis

Attention was drawn in the preceding section to the possibility that improvements in reliability may be of limited

value where interpretation is difficult. By interpretation we mean an assessment of the significance of the events observed for the actions of government, business and other interested parties. It is not sufficient to know with virtual certainty that consumer spending rose or fell by x per cent in a recent period, since without some understanding of the reasons underlying this change it may be impossible to judge what action, if any, it is appropriate to take. (It may well be that, even where there is agreement about the reasons for the observed change, views will differ as to the appropriate action but this is a separate issue).

One aid to interpretation which is now well established is, of course, the process of seasonal adjustment. Many different methods have been devised of estimating the systematic seasonal variation of a series of observations about its trend and it seems, at least to us, that we are unlikely to see any further substantial advances in this field. One point over which it seems possible that some controversy will centre, however, is whether there is benefit to be gained by choosing some optimal method for application to all series. This view seems to be held quite strongly by some who are mainly concerned with achieving comparability between different series, in particular where comparisons are to be made between different countries. But if it is accepted that seasonal adjustment is essentially an aid to interpretation, rather than a transformation of the series into an alternative form, we would argue that its successful application depends as much upon a detailed understanding of the characteristics of the series in question as upon the choice of an appropriate method. This is mainly because of the need to identify special factors influencing the series before attempting to measure the regular seasonal variation, and our experience suggests that this first stage can be achieved better by the individual statistician than by the mechanical application of mathematical methods. A related technical point is that one can expect on theoretical grounds that some series will be better fitted by one type of model rather than another, and it seems counterproductive to ignore this in pursuit of 'consistency'.

Perhaps worthy of more attention than seasonal variation in the behaviour of the economy is its cyclical behaviour. With the availability of short-term data covering an increasing number of economic cycles the potential for fruitful work in this field seems to exist. Certainly, the timing of counter-cyclical action by governments has, rightly or wrongly, been the subject of much criticism and one might expect resources to be devoted to the analysis of past cycles in order that future action of this kind should be more effective. Businesses also can be expected to continue to devote resources towards a more accurate assessment of the likely turning points in the behaviour of the economy.

(*c*) *Consistency of the data base*

In constructing the national accounts for the United Kingdom we have always recognised the importance of compiling estimates for all time periods on a consistent set of definitions. Much of the work of economists and other users of the national accounts depends upon our following this principle. As would be expected, however, one encounters many difficulties; these arise in at least two different ways.

First, in the light of experience there may be general agreement that changes in the systems of classification and methods of compilation are desirable. In this way the present UN system of national accounts (SNA) was formulated during the 1960s and agreement reached that this should replace the former system, at least as a basis for reporting national accounts data to the international organisations. No doubt these changes will in due course be demonstrated to have been worthwhile. For the present, however, we are faced with a situation in which few countries are now able to provide more than a minimum of consistently defined time series for the past 20–25 years. Indeed, the publications of the international organisations currently contain a variety of series which, for any given year, may be on the basis of the former or present SNA depending upon the country in question. The transition to the new system has proved to be a troublesome and lengthy process, whilst the compilation of estimates for past years on the new basis is difficult or even impossible. In the future, views about the desirability of changes to the system for international reporting may be influenced by the experience of changing from the former to the present SNA and greater weight may be given to the need for stability.

A second problem in achieving consistent time series arises from the institutional changes which occur in the economy. The growth of the company sector as the result of businesses changing their legal status to that of an incorporated enterprise, for example, can in one sense be regarded as being a 'legitimate' reason for the growth in company profits and thus properly recorded in the national accounts as such. But the nationalisation or denationalisation of enterprises, and other substantive changes occurring at particular points of time can make comparisons of the estimates for the institutional sectors in the accounts of limited value. These problems are unlikely to assume any less importance in the future.

Problems of consistency of a rather different kind arise in the compilation of estimates at constant prices (and the associated implied price indices). For both international reporting and national use it has been customary to choose a base year for the calculation of constant price estimates which has generally been retained for some time, perhaps five-years but sometimes considerably longer. When a change in the base year is made this usually means that the constant price national accounts aggregates are recalculated for some periods, yielding a new set of estimated volume changes in gross domestic product, etc (because the individual volume changes in the components are now combined together according to a different set of relative prices). The differences between the old and new estimates would usually be relatively small, their extent normally depending upon how 'out of date' the base year had become. If one considers a series of 20 years' data, the question then arises as to what constitutes a 'consistent' set of constant price estimates for the whole of this period.

The position taken for the United Kingdom national accounts has been to say that calculation of the volume changes in the aggregates over such an extended period at the relative prices of a single year would be less useful than retention of the estimates calculated at the relative prices of a year closer to the period in question. Thus, although the present base year for constant price estimates in the UK national accounts is 1970, the volume changes between

the years 1948 to 1954 are based on the relative prices of 1954, those between 1954 and 1958 on 1958 relative prices and those between 1958 and 1963 on 1963 relative prices. This may be a reasonable approach for the periods mentioned but we have recently moved into a period where relative prices have changed very dramatically, and there are doubts about the most appropriate set of relative prices for the constant price calculations relating to recent years. Revised calculations based on the relative prices of 1975 will be introduced in 1978 but at present it is not yet clear how far back estimates on this basis should be carried.

There is, in fact, a strong theoretical case for changing the base of the constant price estimates every year, and indeed, some countries already publish and use estimates on this basis in addition to those described above. The difficulties encountered are primarily of two kinds. First, there is the need for more detailed data than will normally be available from existing annual inquiries. But secondly there are practical difficulties for the user since the constant price estimates are no longer additive (that is, except in the case where only two years are being compared, it is necessary to work in terms of index numbers rather than constant price aggregates which can be manipulated in the same way as current price data).

In view of recent world economic developments it does seem probable that there may be the need for more frequent rebasing of constant price series, even though the resulting estimates would be less easy for users to handle and would require additional data for their compilation. The time series calculated in this way would no longer be in the form of base weighted Laspeyres or current weighted Paasche indices, but in that of a chained index, probably chained Laspeyres volume and thus chained Paasche implied price indices. It could well be argued in terms of consistency over time such estimates would be preferable to those generally compiled at present, since each year to year change would be defined in a consistent manner.

(*d*) *Revisions to the data base – computerised systems*

If all the data for national accounts were collected in a single inquiry, once this had been completed and processed the estimates would be published and seemingly no revision would be necessary. Even if such a procedure were feasible, one suspects that publication of the results would be possible only long after the event and that they would be of little relevance to current policy needs. In practice the national accounts are compiled from a multiplicity of data sources, some of which may have to be utilised with considerable ingenuity in order to provide a basis for estimating the aggregate in which the national accounts statistician is interested. This is particularly true of preliminary or provisional estimates made on the basis of incomplete information. In this situation one may well find that information bearing upon the national accounts estimates becomes available on many different occasions during the year. A decision has to be taken how frequently to revise the estimates in these circumstances.

The necessity to make frequent revisions may involve the compiler in additional costs and the user may find frequent revisions tedious but, at the same time, the user presumably wishes to be made aware of any significant changes to the estimates as more reliable information becomes available. We try therefore to strike a balance between avoiding frequent revision to the estimates and making available additional information where this affects the estimates significantly.

The increasing availability of sophisticated computerised systems for data handling, transmission and presentation provides an opportunity for dealing with these problems in a more systematic and efficient way. Those concerned with conjunctural analysis and forecasting are particularly interested in estimates for the present and recent past and thus, perhaps more than most, will wish to have available a continuous updated picture of the economy which takes account of all relevant information. Although, in the United Kingdom, we have not yet organised our procedures in this way, the prospect does now exist of an operational system which would automatically update all the national accounts estimates as new information became available. Precisely how this would work in practice is not yet clear because it depends to a significant degree upon how far the updating procedures can be automatic or dependent on the judgement of the national accounts statistician. What the computerised system potentially makes possible is a method of rapidly taking account of many separate pieces of additional information as each of them become available. We expect to be developing our own national accounts work along these lines as well as seeing more extensive use of computer facilities for the checking and testing of data reliability at a disaggregated level.

(*e*) *The monetary dimensions of short-term forecasting models*

Typically short-term forecasting models have been concerned with the counter-cyclical regulation of aggregate demand for the resources being supplied by the production of an economy or by imports. The quantitative expression of this demand – in the most summary form the final domestic expenditure of the economy *plus* foreign expenditure on the economy's exports (which, *less* imports, equal the value added in domestic production of goods and services) – is therefore in terms of data expressed at constant prices. Some of the behavioural relationships (for example, those concerned with imported or domestically produced investment goods) have been expressed wholly or mainly in terms of data at constant prices; little weight has been given to the question of the income or borrowing facilties available to sustain the demand. The prediction of consumers' expenditure, however, has typically taken account both of disposable income (after taxes) and of borrowing facilities; also, in order that the effect of taxes in redistributing income can be taken into account, it has always been necessary to work, for this element of demand, in terms of forecasts at current prices as well as at constant prices. Further, the balance between imports and exports is influenced by relative costs, changes in the terms of trade and in exchange rates, so that data at current prices are required for forecasts of overseas trade in goods and services. In recent years, the question of the likely rate of inflation in different circumstances, *viz*, at different levels of ex-ante demand, has become more and more important. For all these purposes it has become increasingly important to try to construct a financial forecast for each of the main institutional sectors.

In the United Kingdom, until fairly recently the financial forecast was a secondary process which took as its starting

point the financial surpluses or deficits implied by the main forecast and attempted to forecast detailed flows of funds consistent with these balances. The feed-back to the main forecast was limited largely to assessing judgementally the plausibility of some of its expenditure components. During the last few years, however, more formal links between the macro-economic and financial forecasts have been established[13], with monetary variables such as interest rates, personal sector bank advances and holdings of liquid assets being used in the main forecasting model.

The complete integration of a model of the UK monetary system into the short-term forecasting model of the economy is still incomplete. Initially, research was concentrated on models of bank behaviour since this was the key sector and comprehensive balance sheet and flow-of-funds data were already available. Estimates for the behaviour of other sectors of the monetary model have been made and should be improved as a result of the work already mentioned above[6]. Progress may still be inhibited, however, unless improvements can be made in achieving consistency between the sector balances derived from estimated transactions on current and capital account and those obtained from estimates of borrowing and lending. Both extension of the data base to cover 'balance sheet' type estimates and improvement in the accuracy of the sector current and capital accounts should contribute to the effectiveness of financial models in short-term forecasting work.

(*f*) *Redistribution of income through public finance*

Part (*d*) of the first section of this article, on a complementary system disaggregating income and expenditure data by the characteristics of individuals or households, has already touched on one use for such data – the analysis of the effects on the economy of the redistribution of income through the agency of public finance. In the United Kingdom studies of this have been regularly published for some time[10]. They have, however, been wholly based on a regular sample survey of family incomes and expenditure, the results of which are affected by non-response and response bias (under-reporting of certain types of expenditure and under-reporting of incomes). There is a need therefore for estimates of this kind which are recorded consistently with the corresponding aggregates in the national accounts, which as mentioned above raise major practical problems which will not be mastered quickly or easily.

The uses of such data are of great potential value. One area is the study of the effect on aggregate demand of changes in rates of taxation, direct or indirect, or of changes in their degree of progressivity or regressivity. Information on income/expenditure relationships for differing types of households – for example, age, number of children – would enable more reliably based measures to be formulated on social security benefits. Information on the commodity composition of consumption analysed according to the income and other characteristics of households may well add precision to predictions of the response of changes in the demand for particular commodities to changes in income or in borrowing facilities. The redistributive effect of taxation can only be viewed systematically through information which relates factor income, through direct taxes and cash benefits from the State, to disposable income, to saving, and through indirect taxes and benefits in kind, to consumption. The redistributive effect can thus be quantified in terms of measures in inequality before and after the process of redistribution through taxes and benefits; and changes in each over time can be assessed. A further, as yet largely unexplored, dimension will be to extend the range of benefits in kind covered by the analysis (*viz* non-market services such as health and education and even services provided by public goods such as roads and other infrastructure) in terms of the benefits to the recipients. One interesting feature of this kind of analysis is that the distinction between the income and expenditure sides of the accounts seems blurred – some benefits (for example, subsidies) are treated effectively as negative expenditure and others as income, and some are treated as reductions to direct taxes (*viz* child allowances) while others are treated as income (*viz* family allowance in cash).

Inflation and the measurement of quantum changes

(*a*) *Conceptual problems*

A system of national accounts may be thought of as being primarily concerned with recording, according to a given methodology, transactions between different industries or sectors in the economy. These transactions may take one of several different forms – the exchange of real assets (goods and services) and financial assets, or transfers from one institutional unit to another (for example, the payment of taxes). The flows of goods and services in the accounts are of particular interest to some users, and for the analysis of these flows it will often be preferable to work in quantity rather than value terms. Estimates at constant prices are constructed for this purpose.

Although estimates at constant prices are often presented in the same national accounts framework as those at current prices, the implication which this form of presentation carries – that the estimates are subject to the same accounting constraints as those at current prices – is questionable. Estimates at constant prices are in all fundamental respects quantity index numbers and are subject to all the limitations and problems of construction of index numbers. Reference has already been made in part (*c*) of the second section above to the question of how often the base period for constant price estimates should be changed. It was suggested that, given the recent large changes in relative prices, more frequent rebasing than hitherto might prove to be necessary, and that a case could also be argued for annual changes on theoretical grounds. The reasons for arguing along these lines are briefly as follows.

A major area of difficulty in constructing either price or quantity indices is the treatment of quality changes and what, in a sense, may be regarded as essentially the same thing – new and disappearing products. Unless we have some way of equating the old and new quality or variety of product, there is no way in which two periods, each containing one product but not the other, can be compared. In practice this problem may be tackled in a number of ways but it would be fair to say that they are rarely, if ever, very satisfactory and we have to accept that the resulting estimates may be deficient in not adequately taking account of quality changes which have occurred. Given this situation, however, it is first of all evident that the longer the period of comparison the more likely it will be that the results are subject to such deficiencies. But furthermore, it suggests that in calculating aggregate quantity or price changes by means

of index numbers, the use of the relative prices or quantities of a recent period as weights for the calculations will be far preferable to the use of data relating to a more remote period.

If quantity changes were always calculated initially for adjacent years only, using the relative prices of one of these years, and comparisons between non-adjacent years obtained by chaining together these initial calculations, then the problems arising from quality change would be minimised.

It has sometimes been argued that by proceeding in this way (use of a chained index) the comparisons obtained between non-adjacent periods were in some sense less valid than those obtained by directly comparing the two periods in question in terms of the relative prices (or quantities) of one of the two periods concerned. In some circumstances this would be true because the chaining procedure can lead to perverse results which would be unacceptable. Where, for example, the cyclical behaviour of different parts of the economy varied very substantially the use of a chained index might prove to be a less reliable method of comparing two periods at the same point of the cycle than would a direct comparison. But where structural changes in the economy are of greater significance than changes within the economic cycle use of chained indices would seem to be preferable. As we have already observed, it does seem likely that we may see an increasing use of chained price and quantity indices in the future.

(*b*) *Unique products*

A related, but somewhat different, problem to that of dealing with new and disappearing products is that output may sometimes take the form of a tailormade product which cannot readily be compared in quantity terms with other forms of output. Much civil engineering and construction work is of this kind; some plant, machinery, shipbuilding, etc. may also take this form. Here, there are two possible solutions open to the statistician. One approach is to attempt to disaggregate the products into component parts of a kind which can be compared with the components of similar products produced in other periods. An alternative approach is to revalue at constant 'prices' the expenditure on these products with an index of input cost which incorporates an assumption about changes in productivity (actual changes in productivity cannot be measured if we have no way of quantifying the volume of output). So far, in practice the second approach has usually been adopted, but in view of its obvious disadvantages we shall hopefully see the development of more soundly based methods. The construction of standardised indices of tender prices is a first step in this direction.

(*c*) *Non-market services*

The precise definition of the goods or services whose changes in price or quantity are to be measured may play a crucial role in determining the results obtained. This is particularly true of services where the nature of the service purchased may differ according to the point of view taken. For example, should the treatment provided by a dentist be regarded as *a.* simply a means of eliminating pain or avoiding it in the future, *b.* the extraction or filling of a tooth, or *c.* the composite set of goods and services used to provide the treatment (that is, the time of the dentist and his staff, use of their equipment and materials used)? If the dentist is to be regarded as a producer then either *a.* or *b.* should be taken as output since *c.* is simply an aggregation of the inputs of the producing unit; *a.* is not acceptable as a measure of output since it is dependent upon factors outside the scope of the national accounts. We are left with *b.* which is fine provided that, with the service so identified there exists a price with which we can value the quantities produced for aggregation with other goods and services.

The main problems encountered when attempting to construct quantity measures of changes in non-market services (that is, services provided by private or public institutions not making a direct charge related to the services provided) are the identification of the services to be measured and the appropriate set of relative prices at which the different services are to be valued. No country yet seems to have made any real impression on these problems, the practice usually adopted being that of measuring the quantity of inputs into these services and making an assumption about changes in productivity ranging from that of no change to that of taking the movements estimated for the rest or a part of the economy.

For certain non-market services it seems most unlikely that any attempt to measure output as anything other than the sum of inputs would be possible. The output of a nation's military defence services, for example, might conceivably be quantified in some way but it is difficult to see how. In such circumstances national accountants should perhaps accept that the boundary of production, in this instance, lies between the public authority purchasing the goods and services necessary for military defence and the market economy, not between the public authority and the individuals on whose behalf that defence capability is being maintained. If that were accepted one would not be faced with the possible paradox that the 'output' of military defence services might increase sharply during periods of active hostility and fall when the objective (peace) was achieved.

Other non-market services, such as education and health services, may be measurable in quantity of output terms. A set of services provided might well be defined which were capable of measurement, but as yet there is no general agreement about the precise form which these services might take. In our view it would be wrong to attempt to measure for national accounts purposes the ultimate objectives of these services (that is, a better educated and healthier population). Rather should we try to measure changes in the quantities of different tuition and treatment provided. Where these various forms of 'output' themselves changed over time we should, of course, be faced with yet another example of new and disappearing 'products' discussed above.

Any developments along these lines would be difficult to achieve and a necessary condition for them would seem to be the adoption of such measurement systems within the administrative organisation of the services in question. It would be quite unrealistic to think in terms of the necessary data being assembled purely for national accounting purposes. Only if, as part of the running of such public services, it were considered useful to have quantity measures of output in the terms suggested, would such a set of developments in the national accounts be feasible. Much depends, therefore, upon whether those concerned with the administration of these services would find such measures of value.

(*d*) *Factor incomes at current prices*

A long-standing technique in the construction of the national accounts has been to exclude stock appreciation (inventory valuation adjustment) from the measurement of the factor incomes generated by production. This is because the value added in the process of production (by the factors labour and capital) is best measured as the surplus of outputs over the concurrent cost of non-factor inputs. The use of materials is therefore measured at the current cost of the materials, and the book value of the change in the opening and closing levels of stock during any accounting period is split between the physical change, valued at current prices, and the rest of the increase in value (between purchase and the point of use in the productive process, or the stock valuation date), which is known in the UK national accounts as stock appreciation. Since, however, profits as measured commercially have generally been based on a valuation of stock at historic cost (typically on the 'first in, first out' principle), separate calculations have had to be made of 'stock appreciation', which is then deducted from profits, on the factor income side of the accounts, to show (effectively) what profits would be if materials used were charged at current cost rather than at actual (historic) cost.

Similarly, in the national accounts it is argued that depreciation (the provision for the consumption of fixed capital) should also be based on the current cost principle. If this is so, the net national product, after deducting provision for capital consumption, is shown after full provision of the replacement of the stock of fixed capital assets. This is the approach recommended in SNA and it has been adopted in the United Kingdom, the estimates of capital consumption not being based at present on commercial depreciation figures, but on a model of the stock of fixed assets valued at replacement cost, which is constructed from past figures of investment revalued to current replacement cost, using the so-called 'perpetual inventory' technique. (The link with commercial figures of profits is at the level of profit before provision is made for depreciation.)

These features of the existing system of evaluation for the purpose of the national accounts are highly relevant to the question now being considered of the adjustment of company accounts to allow for inflation – the question of 'inflation accounting'. In the United Kingdom this was considered by a Committee on Inflation Accounting which reported in the summer of 1975[14]. Broadly speaking, there are two schools of thought on 'inflation accounting' one is the 'current cost' (or 'current value') school and the other the 'current purchasing power' school. The former envisages the construction of balance sheets in which fixed assets are valued at 'deprival value' (estimating this as replacement cost, unless lower than realisable value or economic value, when the higher of these two is taken), and the profit is based on charges for depreciation based on 'deprival value', but excluding backlog depreciation. Other assets may or may not be valued at market value (as opposed to book value). The latter starts from the existing system of provision for depreciation at historic cost, but then adjusts the historic cost figures for the acquisition of assets and subsequent depreciation provision according to a general index of changes in the value of money – the concept being to measure corporate earnings in terms of what would be necessary to maintain the purchasing power of the shareholders' original stake in the business. (Assets other than fixed assets, and liabilities other than to the shareholders are therefore also revalued.) It is evident that the former system is very close to that now used in the national accounts, so that if it were adopted the figures in the national accounts (as extended to balance sheet estimates) and those in commercial accounts would become very similar over the next decade – with substantial advantages for many analytical purposes. In an article on inflation accounting published in 1974[15], a colleague expressed the view that inflation accounting should be viewed in two stages – firstly the construction of a balance sheet evaluating the written down portion of wasting assets at current cost, and evaluating other assets at current market value; and a second stage, in which the whole sequence of balance sheets would be revalued to the prices of a common base period, perhaps using a general price index at the second stage.

The Committee on Inflation Accounting proposed the former system and recommended that a system of current cost accounting (which might also be called current value accounting) – using the 'deprival value' criterion for valuing physical assets in the balance sheet, and for distinguishing between operating profit (the balance between revenue and current costs) and holding gains – should progressively replace historic cost accounting as the basis for compiling company accounts. With the agreement of the Government, the accountancy profession issued, in November 1976, an Exposure Draft[16] for an Accounting Standard based on the current cost system. It is now intended that a series of papers should be prepared for consideration by the Accounting Standards Committee in the light of the comments received on the Exposure Draft.

(*e*) *Value added at constant prices*

An industry's contribution to the gross domestic product is its 'net output' or 'value added', in other words the value of its gross output *less* the cost of its intermediate inputs, that is goods and services which it purchases from other industries, or imports, for use in production. Thus its net output when valued at factor cost equals the sum of the factor incomes – income from employment and gross trading profits – earned in the industry after deducting stock appreciation. Value added at current factor cost can in principle be measured either as the difference between gross output and intermediate inputs (taking into account net indirect taxes), or as the sum of factor incomes.

Similarly, an industry's contribution to the gross domestic product at constant prices – its 'real product' or 'real output' – is its value added measured at constant prices. Conceptually, this can be calculated as the difference between its gross output and intermediate inputs, each measured at constant prices. This method is known as double deflation. It is not possible to measure value added at constant prices as the sum of deflated incomes, since profit incomes are a residual with no corresponding quantity unit and hence no price per unit.

In practice it is often not possible to apply the method of double deflation because sufficient information (particularly adequate information about prices) is not available for estimating both gross output and intermediate inputs at

constant prices. Indeed, for the United Kingdom, the method has so far been used to a very limited extent for the published estimates, the principal exception being the agriculture industry. As an alternative, movements in a single indicator – usually gross output at constant prices – are used to project from the value added by the industry in the base year, on the assumption that changes in the ratio of gross output at constant prices to net output at constant prices are likely to be small. Even if estimates of both gross output and intermediate inputs do in fact exist, single indicator methods are often to be preferred because of the sensitivity of double deflated estimates to errors in price deflators.

Given the availability of accurate data on both gross outputs and intermediate inputs at constant prices, it is clear that the method of double deflation will give an accurate measure of value added at constant prices, while single indicator estimates will fail to do so except in the special case where the ratio of net output to gross output at constant prices does not change. In practice, however, the basic estimates of inputs and outputs are inevitably subject to error; and the relative error in their difference, and thus in the double deflated measure of value added, may well be greater than in either the input or the output series. Depending on the size of the error variances, on the divergence between the (true) movements of inputs and outputs at constant prices, and on the ratio of net output to gross output in the base year, it is possible for a single indicator method to give more accurate estimates of value added at constant prices than are obtainable by the double deflation technique. In practice most of these parameters are usually unknown; but a single indicator estimate based on gross output is probably preferable, unless there is evidence of significant divergence between the movements of inputs and outputs. For a full theoretical discussion see[17].

In the past there has been no possibility of compiling regular double deflated estimates of net output at constant prices for the United Kingdom (except for the agriculture industry) because information on intermediate inputs was only available at infrequent intervals. (In recent years it was collected only for 1963 and 1968, when full censuses of production were held.) However, with the regular annual collection of total purchases of materials by manufacturing industries, input-output tables are now being compiled for every year from 1970 onwards, using updating techniques for years when detailed input data is not collected, and these will provide estimates of intermediate inputs. Although updated tables tend to perpetuate the technological relations of the base year, it is hoped that these annual tables will provide for each industry a basis for assessing the divergence of movements in inputs and outputs at constant prices, and whether double deflated estimates of value added at constant prices should be preferred to the single indicator estimates currently used for the output-based estimates of changes in gross domestic product at constant prices. This work, is however, still in its early stages and improvements in basic data sources may be necessary before sufficiently reliable estimates can be made.

The input-output tables will only be available annually, and with some delay compared with the single indicators. Thus, even for those industries for which they are preferred, double deflated estimates of value added at constant prices could only be used for adjusting, retrospectively, estimates of industrial output and of gross domestic product based on single indicators of output which had been compiled and published much earlier. There is no prospect of using double deflation for the latest quarterly estimates.

Possible extensions of the national accounts boundaries

From time to time national accounts aggregates of output or income come under criticism because of their inadequacy as measures of welfare or standards of living. These criticisms draw attention both to inclusions and exclusions which are considered to be inappropriate. The former generally comprise what may be termed the 'regrettable necessities' (for example, expenditure on military defence) and the latter non-marketed output of various kinds (such as that of housewives). These topics have been receiving increasing attention internationally[18] and in Japan the results of some official work on measuring changes in economic welfare have been published[19]. In other countries published results so far seem to be limited to work by statisticians outside government agencies. This section of our paper puts forward a view of how work in this field seems likely to develop.

(*a*) *The treatment of 'regrettable necessities'*

It is argued by some that where the use of increased resources is not accompanied by an increase in welfare (for example, a larger police force might be needed in order to restrict the level of crime to that of some earlier period when fewer resources were necessary for this purpose), then the increased use of resources should not be regarded as an increase in the volume of output. Our view is that one must accept there are limitations to the scope of national accounts and that the measurement of changes in welfare, in the sense implied by those who would exclude the 'regrettable necessities' from output, is necessarily outside their scope. Changes in external circumstances may, of course, materially affect the quality of life but the consequences of attempting to take account of such changes when measuring national output seem too far-reaching to contemplate as part of a national accounting framework. It would not be sufficient simply to exclude from output the services of the police and others engaged in 'non-productive' activities, since the logic of a welfare approach would lead inexorably to the need to measure the extent to which changes in the level of crime affected the quality of life (that is if it is argued that additional resources devoted to crime prevention do not constitute output unless the level of crime falls, then any change in the level of crime presumably represents a change in 'output'). Statistical systems concerned with the levels and distribution of welfare are, in fact, receiving attention elsewhere by social and demographic statisticians[20]. This seems to us a much more promising approach than that of attempting to extend the national accounts framework to encompass this added dimension.

(*b*) *Industrial pollution*

It is important to draw a distinction between the effects of changing circumstances external to the economic system and the results of using particular production processes in that system. If the environment is increasingly polluted by

the emission of waste products, etc arising from particular methods of production, it is the concern of the national accountant that resources devoted to combating this pollution should be properly reflected in the accounts. It is argued in[18] that the costs of controlling industrial pollution should be treated as intermediate expenditure (that is not contributing to changes in volume of final output). Although this would seem to be correct in principle, it gives rise to problems of measurement since some of the costs of combating industrial pollution are usually borne by government and financed from taxation. Where the principle that 'the polluter pays' is followed it would seem feasible to treat the costs of combating industrial pollution as intermediate expenditure since the taxes levied on polluters could be regarded as the purchase of a service from government. At present, however, it seems that expenditure by government on pollution control is generally treated as final expenditure, and is thus regarded as contributing to final output. This is true of the United Kingdom and would also seem to be the case in the United States, where the collection and publication of expenditure statistics relating to pollution abatement and control has been developed significantly in recent years[21]. A rationalisation of the treatment of the costs of controlling pollution would seem to depend very largely upon the extent to which comprehensive provisions for the control of pollution are introduced by governments, and how far these follow the principle that 'the polluter pays'.

(*c*) *Non-market services*

Where goods and services are bought and sold through the market, they automatically fall within the production boundary drawn for the national accounts. Most countries also include within the production boundary, in addition to the non-market services provided by general government and private non-profit-making bodies, certain other services not provided by the market, an important example of which is the service provided by owner-occupiers of private dwellings to themselves as consumers of housing services. We do not, however, take account of the services provided to themselves by private owners of motor cars or household durables; nor do we regard the labour services provided by housewives or do-it-yourself enthusiasts as falling within the production boundary. What is it which determines where we choose to draw the line?

Those responsible for compiling national accounts have generally been reluctant to extend the boundary of production beyond the area of market transactions. This is probably because the basis on which such non-market transactions could be imputed usually appeared at best rather unreliable and at worst quite arbitrary. However, the problems of valuation encountered when attempting to include imputed transactions in the national accounts can often be solved in a reasonably satisfactory way (as for the imputed rents of owner-occupied dwellings). A more serious problem is that one is still faced with the question of where the production boundary is to be drawn since, having included the services of housewives for example, do we then regard those services as being consumed or as intermediate inputs combined with other intermediate inputs in a further stage of production? Is final consumption one further stage down the production chain – the meal served to the family – or do we need to look even further, treating some part at least of the family's food intake as an intermediate input necessary to maintain it in 'good working order'? (Professor Stone's UN paper[18] aptly refers to this as owner-occupied slaves.) National accounts statisticians are more concerned with the task of compiling useful, timely and reliable data than in pursuing such esoteric arguments. Since our principal users (the economic policy arms of government) do not regard the exclusion of these non-market services from production as a serious deficiency in the national accounts, we do not see extension of the accounts in this direction as deserving of any special priority.

There are some other aspects of non-market services, however, to which considerable attention has been directed by national accounts statisticians over the years, though so far not with any noticeably useful results. The appropriate concepts for the services provided free, or for a nominal charge, by general government or private non-profit-making bodies serving households seem to have been subject to considerable uncertainty. In the former UN system of national accounts (SNA) these institutions were regarded, not as producers, but as final consumers. In the present system they are regarded both as producers and consumers, consumption of the services they provide being on behalf of the community as a whole. But although one can accept that in principle the production boundary might be drawn between such institutions and those to whom they provide their services (present SNA), rather than between the market economy and those institutions (former SNA), the practical effect of this change has been minimal. This is because the value of the 'output' of these institutions is still regarded as equal to the value of the sum of their inputs. Thus the formal extension of the production boundary has no effect on the value of the production provided that the scope of the 'inputs' under the new system is the same as that of the items consumed under the old system. The implications of different definitions of the production boundary for changes in the volume of non-market services (as distinct from changes in their value) was touched upon in part (*c*) of the third section above.

(*d*) *The boundary between consumption and capital accumulation*

In the national accounts we currently restrict what is regarded as capital formation to reproducible tangible assets such as buildings, plant, machinery, vehicles and producers' stocks of goods and work-in-progress. The suggestions for extension include research and development expenditure and investment in human capital. Also, in the context of economic balance sheets it is thought that natural resources in the form of mineral ores or fossil fuels should be taken into account, and that provision should be made for supplementary estimates of the stock of consumer and military durables not regarded as capital formation in the main accounts. Although these areas of activity may be relevant to the consideration of certain economic problems, we do not see them as leading to any major changes in the form of mainstream national accounts development work.

The need for supplementary information by the users of national accounts

We laid some emphasis in earlier sections of this article upon our view that improvements in the quality of national

accounts estimates are at least as important as their extension or further elaboration. However the estimates will never be perfect and it is likely that there will always be differences in the reliability of component series. The availability of a description of the methods used to compile the estimates and an indication of the relative reliability of the main series seems to us important, therefore, if the user is to derive the maximum benefit from the published figures.

For the UK national accounts such a description of the methodology is given in[22] and this is regularly updated in the notes to the annual National Income and Expenditure Blue Book. It is our impression that, with few exceptions, the data sources and methods of estimation underlying other countries' national accounts estimates are not so readily available from published sources. This seems to us regrettable since a valid interpretation of the estimates may well depend upon a proper appreciation of their reliability. Although we have no specific plans for extending the range of this background material in respect of the UK national accounts it will continue to be updated and a new edition of the main volume prepared during the next few years. We would very much welcome the growth of such practices in other countries.

The storage and dissemination of national accounts data

In addition to requiring varying sets of data, particular users may put a premium on rapid turnround time. Those concerned with monitoring short-term movements in the economy, for example, will wish to have the latest available figures readily to hand. By contrast, an academic researcher may be more concerned that long time series of consistently defined data can be made available, access to estimates for the most recent period being of marginal value only in the context of a particular piece of research.

The needs of the former group are best met by a reliable data bank service of the kind described in the paper by Eckstein[23]. Where such a service is not available users will look to the regular statistical publications of national agencies as the media through which the information should be made available. This may be supplemented (as in the United Kingdom) by other means of making data available prior to its appearance on the printed page, through the issue of press notices or cyclostyled sheets. The researcher who wishes to make use of more detailed data covering a longer period will presumably not regard rapid turnround time so important. For these needs the important factors would seem to be access to clearly and consistently defined data on as detailed and as extensive scale as possible. Here the international agencies clearly play a crucial role since the criterion of consistency of definition is one to which they attach great importance for the national accounts data which they collect and publish. But in addition, where it is available, the researcher should also have access to the kind of supporting material described in the previous section.

All these considerations suggest to us that the order of priorities to be followed in determining the service to be provided by academic libraries should be broadly on these lines. There should be quick access to the latest national accounts aggregates in whatever form these are first issued by the national statistical agency concerned. Libraries should give first priority to the figures relating to their own country but, where possible, could extend their coverage to include the figures for other countries likely to be of interest to their own economists. We would suggest that the material on which this service was based could be disposed of, however, wherever it had been superseded by a further set of estimates. There should also be access to long runs of consistently defined national accounts series which are most readily found in the special publications of the United Nations, the Organisation for Economic Co-operation and Development and the Statistical Office of the European Communities‡.

The main difficulty here is to ensure that very long time series derived from publications issued at different times are consistently defined. The international organisations are aware of this problem and it seems likely that wherever feasible they will publish long runs for the next national accounts aggregates. In any event their latest issues usually contain a run of data covering the last ten or eleven years which may be sufficient for much research work. Finally we would mention again the value of supporting material describing the sources and methods underlying national accounts estimates. Libraries may need to devote special efforts to obtain this kind of information but, once made, this seems to us likely to be a worthwhile investment.

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‡ The national accounts definitions followed by these three international bodies can for most practical purposes be regarded as identical; differences arise mainly in the form of presentation adopted.

Round-up: what's new in economic statistics

Department of Employment Gazette

The July issue of the *Department of Employment Gazette* contains in full the Chancellor of the Exchequer's statement on counter-inflation policy. The announcement, by the Employment Secretary, of new employment measures is also included. Statistical and other features include an analysis of behavioural science literature related to manpower planning, an evaluation of the Temporary Employment Subsidy and Recruitment Subsidy for school leavers since their inception; recent unemployment rates calculated by age-groups; household spending in 1976 from the latest Family Expenditure Survey and the latest quarterly estimates of employment.

Sector analysis of employment

Estimates of employment analysed by sector in June 1976 are now available and are given below. These estimates bring forward to 1976 the main aggregates published in the article 'Employment in the public and private sectors 1971-75' in *Economic Trends* No. 280. February 1977. As explained in that article, the sectors used for the analysis are the same as in the national accounts.

Employment[1] analysed by sector

	United Kingdom: thousands	
	June 1975 (revised)	June 1976 (provisional)
Private sector[2]	17,662	17,399
Public corporations	2,012	1,951
Central government:		
HM Forces	336	336
Civilians	1,926	2,006
Local authorities	2,993	3,021
Total employed labour force ..	24,929	24,713

[1]Part-time employees are counted as one person
[2]Including self-employed

Estimates of these aggregates for the eleven years 1966-76 will be published in September in the Blue Book, *National Income and Expenditure 1966-76*. A cross-analysis by industry, up-dating the February 1977 article, will be published later in *Economic Trends*.

Survey of research and development in industry 1975

Two articles in *Trade and Industry* have given the results of the 1975 survey of industrial research and development in British industry. The first, industrial expenditure and employment on scientific research and development in 1975, appeared on 24 June 1977; and the second, employment on scientific research and development in industry 1975, one week later.

The first article also contained definitions and notes for the survey. The articles gave an estimate of research and development expenditure at £1,345 million in 1975, the increase since 1972 being due to increased costs. Total employment on research and development in 1975 was estimated to have fallen by 2 per cent since 1972, a smaller rate of decrease than had occured for some years. This fall was mainly in employment in private industry particularly for electrical engineering products.

New publications

Current cost accounting: guide to price indices for overseas countries (HMSO 1977) (Price £1.60).

This booklet looks at the availability of price indices in the 14 overseas countries which account for four-fifths of all investment by UK companies (other than banks, insurance and oil companies) in subsidiaries, branches and associates overseas.

For each country, descriptions of the most appropriate indices available are given, together with comments on their usefuluess for current cost accounting. The booklet also gives details of overseas price indices available in United Nations and OECD publications.

The CSO has already published four issues of a booklet of UK price indices, *Price Index Numbers for Current Cost Accounting*; the fifth issue is to be published in August.

Index of sources

Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Page	*Source*	*Further statistics*
Average earnings (see Earnings)			
Balance of payments		Central Statistical Office	Financial Statistics Quarterly articles in Economic Trends
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Average prices of new dwellings on mortgage (see Housing)			
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New commitments for mortgages	20		
Recommended share rate (see Interest rates)			
Car registrations and production (see Motor vehicles)			
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Coal (see Fuel and power)			
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In relation to total final expenditure	14		
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	Page	*Source*	*Further statistics*
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Domestic income (see Incomes)			
Dwellings (see Housing)			
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Employees in manufacturing industry	40		
Effective exchange rate of sterling	44	HM Treasury	Financial Statistics
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Eligible liabilities (see Banking)			
Employed labour force	34,36	Central Statistical Office	Monthly Digest of Statistics
Employees in employment		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
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Engineering industries		Department of Industry	Monthly Digest of Statistics; Trade and Industry
Sales and orders: total, home market and export	30		
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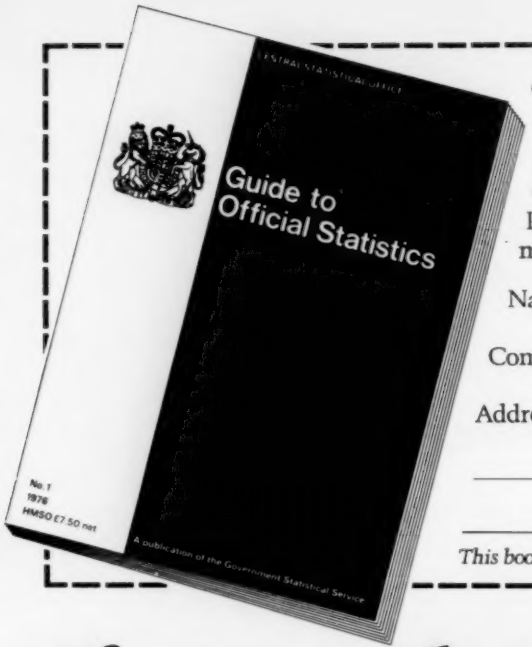

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